

# The Comical History of Montana

A Serious Story for  
Free People

By  
Jerre C. Murphy



LIBRARY  
THE UNIVERSITY  
OF CALIFORNIA  
SANTA BARBARA

PRESENTED BY  
MR. GEORGE COBB





Sincerely yours.  
Jesse S. Murphy.

# THE COMICAL HISTORY OF MONTANA

A SERIOUS STORY FOR FREE PEOPLE

BY  
JERRE C. MURPHY

---

Full Buckram Binding, \$2.00  
Paper Covers, - - - 1.00

USUAL DISCOUNT TO BOOKSELLERS

---

Address, E. L. SCOFIELD, Publisher  
Ingle Building San Diego, Calif.

# THE COMICAL HISTORY OF MONTANA

A SERIOUS STORY  
FOR FREE PEOPLE

Being an Account of the Conquest of America's Treasure State by Alien Corporate Combine, the Con-fiscation of its Resources, the Subjugation of its People, and the Corruption of Free Government to the uses of Lawless Enterprise and Organized Greed employed in "Big Business."

BY  
*JERRE C. MURPHY*

"All History, whether M'Croudy and his Fine Arts know the fact or not, is an inarticulate bible; and in dim, intricate manner reveals the Divine Appearances in this lower world. For God did make this world, and does forever govern it. The loud-roaring Loom of Time, with all its French revolutions, Jewish revelations, weaves the vesture thou seest Him by. There is no Biography of a man, much less any History, or Biography of a Nation, but wraps in it a message out of Heaven, addressed to the hearing ear or to the not-hearing. What this Universe is, what the Laws of God are, the Life of every man will a little teach it you; the Life of All Men and of All Things, only this could wholly teach it you—and you are to be open to learn."

—*Thomas Carlyle*

E. L. SCOFIELD, PUBLISHER  
SAN DIEGO, CALIFORNIA  
1912

COPYRIGHT, 1912, BY JERRE C. MURPHY,  
ALL RIGHTS RESERVED.

PRESS OF  
FRYE & SMITH  
SAN DIEGO, CAL.



TO THE  
BOYS OF AMERICAN CITIZENS,  
WITH A HOPE THAT IT MAY HELP THEM TO MAKE  
BETTER MEN OF THEIR FATHERS,  
THIS WORK IS SOLEMNLY DEDICATED.



## CONTENTS

---

	Page
Early Days and Heroic Ways.....	1
The Blessing and the Curse of Gold.....	13
In the Times of the Feudal Wars.....	19
Of Pioneer State Leaders and Modern Absentee Bosses .....	29
The Campaign for Monopoly Control.....	43
Some Field Marshals of Napoleons of Finance..	55
A Public Press to Suppress Publicity.....	73
Subjugation of Wage-Earners.....	93
Governmental Functions of a Wall Street Combine in a Sovereign State.....	109
How Lawmakers, Governors and Lesser Officials Are Chosen and Confirmed.....	131
The Selection of Judges and the Direction of Courts. Part I.....	153
The Selection of Judges and the Direction of Courts. Part II.....	171
Where Trial by Jury is a Farce, and Why.....	185
The Celebrated Case of Farmer vs. Combine..	201
"A Constitution Between Friends"—State Laws to Legalize Lawless Interstate Combines .....	223

Relief from Taxation for Monopolists.....	245
Shut-Down Scares in Practical Use.....	255
The Grabbing of Water Power and Public Utilities .....	265
Wild-Cat Era in Banking and Stockjobbing...	273
Losses to Public, to Industry, and to Invest- ment, Through Combine Enterprise.....	297
A City Under Combine Rule; Anaconda for Example .....	309
An Awakening People and Signs of Revolution.	321

## Early Days and Heroic Ways

The first successful uplift movement in Montana was conceived and accomplished by the Vigilantes. Crude in plan and rude in performance, there was an uprising which destroyed the last doubt in lawless minds with respect to the efficiency of government "of the people, by the people, for the people". It demonstrated that absence of law afforded no excuse for crime, and gave security to life and property without increase of taxation. In some of the valleys where the Vigilantes rode, less than half a century ago, land now has a market value of as much as one thousand dollars per acre for orchard home uses, but the most profitable crop which ever hung from Montana trees was in the gruesome forms of dead outlaws. Then and there was implanted a respect for the penalties of wrong-doing and a regard for the rights of others which has endured against the insidious influence of wholesale corruption, and the most subtle encroachments upon the powers of government, to the present time. It is today more dangerous in the state of Montana to steal a horse than to loot a bank or to bribe a legislative majority, chiefly because the Vigilantes failed to furnish a precedent in justice for bank-looting and legislative corruption as they did for horse thieving; while later administrators of justice, in the approved manner of courts, have regarded precedent and form and ceremony above the purpose of the law and the effect of justice. It has been said that the Vigilantes themselves were lawless and inspired to action solely with regard to the one first law of self defense;

also that so much may be truthfully asserted in excuse for judges of later times who have tipped the scales of blind justice in weighing the differences between the common rights of men and the special privileges of corporation managers. The facts of this history will at least tend to show that in some parts of this great American state, during long period of time, judges upon the bench could not do otherwise than they did and continue to be judges. Thus the right of recall of judges in Montana, federal and state, has existed for many years, chiefly vested in the officers or agents of foreign corporations, without the aid or consent of any "mob" or "multitude" whatsoever.

Any approximately accurate history of the state of Montana must be in large part a story of modern feudalism. Almost through its entirety it must tell of the conflict of rival influences and interests made paramount to the public interests of the state, or to the interests of the great majority of the people within the state. "Big business", real and legitimate, was a product of individual effort and enterprise in the territory from which this state was formed before it became a state, and before the significance of the power of such business was widely comprehended or danger from the exercise of such power was much apprehended in the industrial centers east of the Mississippi River. The influence of great wealth came to a number of men from the gold fields of the earliest days. There were copper kings and silver lords in Montana while the Standard Oil Company was young and among competitors and before trusts with monopoly design existed. In any other than a Treasure State, the cattle and sheep men of Montana, whose herds and flocks roamed over the public domain, would have been men of exceptional in-

fluence, and by virtue of possessions were easily entitled to rank with the pine barons of any of the timber states of those times.

The immensity and variety of the resources of this vast territory are not yet more than guessed at by those most familiar with the state. In 1910 there were twenty million acres in forest reserves in Montana; and of the eighty-three million acres outside these reserves fully thirteen million acres never had been surveyed by state or federal government. The fertile valleys which Lewis and Clark traversed in their perilous journey of discovery across this country more than one hundred years ago remain today in large part the virgin soil as when observed by them, not yet cultivated nor utilized by others than prospectors for precious minerals or stock growers upon the public domain. Here is the third state in the union in expanse of area, with the greatest wealth of water for power and irrigation uses of all the states, with diversity of soil and climate which makes possible a profitable production of almost limitless varieties of grains and fruits, with resources in timber of inestimable value, and with wealth of mineral so great and in so much variety that all but the more precious metals are largely neglected. Immense fields of discovered coal and iron lie undeveloped awaiting the time when cost of production and transportation will warrant their use, notwithstanding that four trans-continental railway systems now cross the state and that the high prices of fuel and of the products of iron are without precedent throughout the land. Add to these natural material means of prosperity, charms of scenery and environment unexcelled to promote happy and healthful existence, and there remains the marvelous fact that the population of the state in 1910, after twenty-one years exist-

ence as a state, was only 376,053 people, including Indians not taxed. Such dearth of population amid such abundance of resource requires explanation. This is afforded in part by the very magnitude of opportunity. Prospective settlers seeking location would naturally hesitate to place their habitations where the nearest neighbor might be a day's journey away, even if the great extent of unsettled country did not for long time indicate barren soil or other insuperable obstacle to agricultural success. For many years the belief that irrigation was the first essential to profitable farming in the west, with the heavy expense attached to extensive irrigation projects, served to delay the taking up of the land. Until quite recent years the belief that the country was unfit for other uses than stock ranges was cultivated by stock growers who ruled in more than one-half of the commonwealth territory. High wages in mines and smelters for a long period offered superior attractions to industry as compared with the making of a farm remote from market. This condition assisted in delaying settlement. The supremacy of control by mining interests helped to the same result. The fierce conflicts between the mining kings, and the wholesale corruptions and scandals growing out of them, did not invite new farm settlers or greatly attract men ambitious along the lines of good citizenship. Finally, the era of consolidation turned the ownership and profits of the chief developed mineral wealth of the state over to non-residents. The new owners extended their control to the timber, the water power, the banking interests, public utilities in cities, merchandizing, the public press, legislative, administrative and other branches of government, including the taxing power; and in some places schools, churches and cemeteries were included in the properties

dedicated to exploitation in the national field of stock-jobbing through over-capitalization, and were made mere tokens in the game of Wall Street speculation as played by promoters of wild-cat enterprise.

There were heroic ways in the early days which left their impress on the state. There was pride of state even when civic righteousness appeared wholly lacking in leadership. There was incentive to effort and reward for achievement by individuals in the times and conditions which developed men like Clark and Daly from mining, and men like Sanders and Toole in professional life. The man who not only believed that a horse thief should be hung but who had assisted in hanging him was quite likely to be a man of integrity in ordinary business dealings. Mining claims sometimes were transferred by verbal agreement, and in some instances these agreements were forgotten to be revived and respected years later, when the mining development of the district had made the properties worth independent fortunes which could have been secured by the verbal trader through mere denial of agreement. Whatever may be said of the moral effect of such contests, there was nothing mean or small about men who unhesitatingly expended millions of dollars in efforts to locate the state capital in the particular city which they favored. The late Daniel Hennessy, who attained the position of the head of the Hennessy Mercantile Company from a clerkship, and who in that position extended credit to thousands of people during a long term of years, is authority for the statement that there never was any risk in trusting a Butte miner without assignment of wages prior to the beginning of the Amalgamated-Heinze war. The profits as well as the costs of mining remained within the state in greater part, and the rivalry of the owners

reached to the spending of profits as well as in the making of them. Fortunes were acquired by men in mercantile and professional life, and many men employed in the mines on wages, owned their homes, educated their families, and were among the most influential and prosperous citizens.

All the earlier years formed a period of individual effort and individual achievement in Montana. Indeed it was long after the organization of the territory as a state when corporate power became stronger than man power there. The hardships and struggles inseparable from pioneer life in the intermountain country of the west discouraged others than the most self-reliant men from venturing on settlement. The same hardships and constant dangers developed the most rugged manhood and dauntless courage. Long after the menace of organized wealth and the abuses of corporate power were felt and understood in the older states, the corporation boss in Montana continued to be the boss of the corporation instead of a mere agent of the corporation to boss the affairs of other people in its interest. The greatest industries of the state were created and its vast wealth was demonstrated and brought to use by labor almost without capital. The owner of the mine most commonly was the miner who discovered the property, throughout the gold mining days. The slower returns and the greater investments required in the production of silver and copper ores stimulated the creation of companies, but the men who operated them continued in their individual capacities to exercise the greater influence and the greater power in human affairs. It was in fact Henry Villard, not the Northern Pacific Railway Company, who constructed the first railroad across the state, and until quite recent years James J. Hill was recog-

nized as greater than his Great Northern system. For a long time Messrs. Haggin and Hearst owned control of the Anaconda Copper Mining Company, but either or both of them, with or without the corporate organization, would have made ridiculous failure in attempts to combat the influence of Marcus Daly in Montana in the days of his prime strength. It was the advent of the trust, with its combination of corporations and the extension of influences, with interests, into a wide variety of enterprise, which brought the sturdy manhood of the state into subjection and under foreign control.

Like all the states which first attracted human settlement by the discovery of gold, the foundation of the population of Montana was gathered from widely scattered regions and countries. To a greater extent than most other divisions of the American Union, this state has been free from subsequent colonizations and race invasions. The hardy stock of mankind congregated by the first adventurous people has been reinforced during development of its agricultural and other resources by immigrants almost wholly from within the United States. The result has been a citizenship exceptionally independent in thought and action, unusually intelligent, and familiar with principles and policies of government. These people have been deceived sometimes, betrayed quite frequently; but in no political contest, whatever the issue, has any party or any candidate for high office ever presumed to appeal directly for popular support with other plea than one compatible with high ideals of government and high regard for public integrity. This is evidenced uniformly in official records and by political platforms, even in times when corrupt conditions scandalized the state and when all parties notoriously were controlled in organization by conflicting pri-

vate interests, without care or concern for public weal or the reputation of the state. In the first message to the first legislative assembly of the territory of Montana, delivered by Governor Sidney Edgerton in 1864, when the national government was menaced by rebellion and protracted civil war, and while the newly organized territory was little better than a wilderness with an excess of savages among its inhabitants, he devoted as much attention to education as to any other subject, emphasizing urgent need of provision for public schools, with the following stated reasons:

"Hundreds of children are now in the territory, which a wise legislation will not permit to grow up in ignorance; for, in a free government like ours, where public measures are submitted to the judgment of the people, it is of the highest importance that that people should be so educated as to understand the bearing of public measures. A self-ruling people must be an educated people, or prejudice and passion will assume the power and anarchy will soon usurp the authority of government. Children are in one sense the property of the public, and it is one of the highest and most solemn duties of the state to furnish ample provision for their education. It has been well said by a distinguished jurist that it is cheaper to educate the boy than to punish the man, and if the education of the boy is neglected the punishment of the man may become a necessity, for crime and ignorance go hand in hand."

With like patriotic concern, and not less prophetic of dangers to the common weal, were the utterances of the first elected governor of the organized state, Hon. Joseph K. Toole, almost thirty-five years later, in his address on the occasion of the laying of the corner stone of the new capitol building. This was on July 4, 1899,

almost contemporaneous with the organization of the Amalgamated Copper Company. Discussing the welfare of the state, and in recognition of the increasing encroachments of trust power, Governor Toole said:

"There are some wise men bold enough to insist that these stupendous combinations of capital are the offspring of humane impulses exclusively, and that they are designed solely to ameliorate the sufferings of mankind by cheapening the cost of production and hence, according to their philosophic conclusions, reducing the cost of living. Many of the so-called benefactors of mankind who lived in other days appear to have been made of the same clay as some of those of the present time, and like the latter did not always hang a lantern over the pit they dug.

"History records that 'Athens, splendid, ivy-crowned, poet-sung, world renowned Athens,' talked eloquently of human rights with her sandaled foot upon the neck of four hundred thousand slaves, and worshipped devoutly in glorious temples dedicated to 'the unknown God'; and Rome, in her lust of dominion, in the realization of her 'manifest destiny', became the bloated oppressor of the world.

"In the light of history, then, we may be pardoned if in our ignorance or incredulity, some of us should take issue with the incorporated humanitarians and seek to prevent that which, in our judgment, will destroy competition, limit production, restrain trade and raise prices, for the sole purpose of adding to the wealth of the few and the poverty of the many. But, happily for us, if these forebodings should ever materialize, they cannot long endure under our form of government—

" 'In the corrupted currents of this world  
Offence's gilded hand may shove by Justice.'

but sooner or later the remedy will be secured. In a 'government of the people, by the people, and for the people,' public servants can always be found, if sought, who will vindicate the right."

Three years to a day after Governor Toole delivered this address, the Hon. Wilbur F. Sanders, rightly famed as one of the most heroic characters among the pioneers who founded the state and one of the ablest and most patriotic among the statesmen of later years, on the occasion of the dedication of the completed capitol, speaking for the pioneers of the state, said:

"The Pioneers who survive to witness these ceremonies would belie their history and be false to their comrades dead, did they not regard with affectionate solicitude this temple this day consecrated to high public uses. Its architecture is worthy of the state they founded, its art responds to the cultivated taste of an intelligent people, its capacity is adequate to the service of a great commonwealth, and its massive solidity is an assurance that it may remain the theatre of our governmental action through all the years of the current century. It is destined to see all contention set in orderly array and to witness the heady strifes that now impend or are vaguely foreshadowed and see them allayed or determined conformable to justice and the public good. Under its lifted dome the Wisdom of our people will find expression and action. Here great controversies will invoke the triumphs of oratory and the dominance of prudent wisdom and intelligent patriotism. If sordid greed shall dare here to attempt its conquests, if coward fear shall dictate silence or speech, if arrogant, confident ignorance shall here direct public policies, if selfish ambition shall endeavor to mount to power by perfidy or chicane, if bribery shall profane this holy

place, the voices of those who planted this civilization, from beyond the confines of the tomb, will be heard in accordant execration."

This, too, was a voice in prophecy; and, in the short period of time which has elapsed since that memorable ceremony in 1902, everything enumerated by Colonel Sanders as designed to call for accordant execration from the tombs of pioneers has found place or performance under the roof of that home of state government.



## The Blessing and the Curse of Gold

In Volume 4 of the contributions to state history, published by the Historical Society of Montana, there is printed the "original sketch of proposed seal for the territory of Montana, made by Francis M. Thompson, member of the Committee on Seal, in first legislative assembly." It is a crude work of art, with intertwined implements of mining and agriculture for a center piece, the sun above, mountains on the left, the falls of the Missouri river on the right, and "Oro Y Plata" in the place of motto. This design was adopted, with some slight modifications in deference to artistic finish, and never has been changed; notwithstanding that the base sentiment and sordid suggestion conveyed by it have been fervently denounced and deplored by eminent and gifted orators in connection with most notable events in the making of the state. Doubtless the designer of the seal in 1864 was prompted by the thought that the new territory was in more immediate need of attractive advertisement than of enduring inspiration to high ideals. Later a designation of the new member of the American union as "The Treasure State" was a fitting complement to the seal design. This is true, notwithstanding indignant declaration by Col. Wilbur F. Sanders, that, "In childish and mistaken simplicity, there are those beyond our borders who suppose we have chosen to be thus denominated because of the prolific quality of our farms, our mines, our flocks, our herds, our fruits and our forests"; and despite Col. Sanders' accompanying patriotic and gracious explanation: "The

accomplished and heroic women to whom our civilization is so greatly indebted, the courageous and noble men free from greed and guile, solicitous and ever active for our good name, the children eager to protect and improve the great heritage so soon to be theirs, these are the precious possessions of the commonwealth destined to increase appreciation and pride when mines are exhausted and worldly goods accounted as vanity."

The mines are not yet exhausted and worldly goods are not yet accounted as vanity in Montana. "Gold and Silver!" "The Treasure State!" Throughout its vast domain commercial clubs, and boosters, and land agents, and mining sharks, and combine bosses, and official grafters, are giving new emphasis to the old advertisement, and, wise in the work of publicity, are proclaiming possession of the goods "As Advertised".

Some years have passed since Col. Sanders joined his fellow pioneers in well-earned, endless rest, sincerely mourned by good citizens and respected or feared by bad ones. His ideals survive, and the echoes of his execrations while alive have served to bring to merited disgrace and defeat some public offenders since his death. Yet the advertisement on the great seal of the state of territorial times has been in fact an apt motto for the state in most important events of its history to the present time. So much may be asserted as conspicuously true of most important events in most other states during the same period, covering what leaders of business and molders of thought are pleased to describe as the commercial era; but gold and silver have been more conspicuously related to the blessings and curses visited upon the people of Montana than in the experiences of the citizens of any other state. It was the discovery of gold which gave early settlements to the

rocky mountain wilderness which covers more than one-third of the great region. Placer mining of gold was followed naturally by quartz mining, which revealed the great wealth of silver, and this in turn resulted in accidental discovery of the seemingly inexhaustible deposits of copper. It was the need of gold which prompted the vigilantes to hang the outlaws to the most convenient elevations, as well as the love of gold which made the outlaws proper subjects for such ceremonies.

The records of the historical society are almost as rich in romance and heroism and patriotism connected with the gold-finding and gold-mining times of the state, as the state was rich in gold. As early as 1868 the most authentic publication in the state's history at that time, in the form of an almanac, gave facts and figures to warrant the conclusion that Montana had added to the wealth of the nation over \$92,000,000 within seven years. The population of the whole territory was then estimated at only 40,000 people. It was the proud boast in and for Montana at that time that it was "The first experience in the history of the wonderful territorial expansion and increase in material resources and population, of the United States, in which a dependency has held a self-sustaining relation to the federal government from the very first, and affords, in the logically conclusive rhetoric of figures, convincing proof of our present prosperity as a people and prophetic promise of a still more propitious future."

Not much more than twenty years later Grover Cleveland, with the high authority of a president, included Montana among "the undesirable states". It might be no better than conjecture to attempt to show whether Mr. Cleveland reached his conclusion through consideration of Montana's natural support of silver as

a money standard, or from reflection upon his personal experiences as one of a group of distinguished victims of a wild-cat gold mine enterprise in the rock-butressed democratic county of Granite, state of Montana. Either, or any, way, it is certain that the unprecedented blessing of contribution to national prosperity from Montana came from gold and silver, and that the inadequate gold in the Rock Creek Mine, or the surplus of silver in the coin of the country, brought the mild curse of Grover upon the Treasure State. Through all the succeeding events of state capital contests, of corporation conflicts, of feudal wars and legislative corruption, to the final conquest of the commonwealth by alien combine, the potency of gold is always and everywhere manifest. In 1864 a letter in description of Montana was written to Hon. J. M. Edmunds, Washington, D. C., and published in "The Great West". It was written from Virginia City and the writer said:

"The currency here is entirely gold, treasury notes at this present writing bringing but fifty cents on the dollar. The entire business transactions of the country are done with gold dust as a medium, and it is recognized as the currency of the country. This is decidedly unfortunate, particularly for government officials, who are compelled to sacrifice one-half in the performance of their duties."

The relative values of gold and of official station must have undergone a marvelous change from that day of gold dust currency to the eventful time in the life of the same generation when it was common report that one citizen of Montana had yielded more than half a million dollars, also measured by the gold standard, for the mere privilege of representing Montana in official government station, and that another prominent

resident of the state, with ambition of different turn, had spent almost half as much to make the same office vacant.

The outgrowths of personal rivalries and personal animosities and personal ambitions were feuds and factions and bitter conflicts in Montana, as elsewhere. The great wealth of the chief contestants here made the power of gold more potent than other influences in determining results. Participants made material gains, and the ruling captains could afford in a financial way the extravagant cost. The evil to the state came through the adoption and toleration of corrupt methods in the conduct of public affairs and in the settlement of public questions. The agencies were created, the political tools were made and perfected, ready for use in the later operations prosecuted between great corporations through simple greed of gain, which finally made the commonwealth an asset of private interests in very large part, and made of the state first a rotten borough, and then a mere province, subject to an oligarchy composed of New York stock gamblers and industrial pirates.

That much was accomplished by worthy and successful pioneers of Montana in permitting their personal whims and prejudices to blur their vision and confuse their judgment to an extent necessary to convince them that with wealth they could acquire honor or perferment which they failed to attain through merit or by force of better argument, ignorant or forgetful that those honors which wealth can buy with corrupt expenditure cease to be honors when so purchased. They established in Montana a great branch of that school whose apt pupils throughout the country have revolutionized society, business and religion, as well as government. With this

cult wealth is the only end, abuse of power the rightful means, failure the only crime. Its literature reveals a faith that, as every dialect has had its philosophy, every philosophy must have its dialect. The most profound reasoning of its professors is from effect to cause; in progress from ideas to words, from soul to sensuality, from mind to pocket. Through this school, patriotism is become love of real estate rather than of country. "In God We Trust," because it is on the American dollar—not because He created the world, but because He is credited with having sacrificed His only begotten son for love of it. Religion is become a business; advertisement is the highest art; yellow journalism is literature—and this is history. The curse of gold in Montana has been long and widely and deeply impressed upon her people; with some willingly, to some helplessly, for some unwittingly. The return to consciousness and conscience naturally is weighted heavily with surprise and distress.

## In the Times of Feudal Wars

What is commonly called "The Clark-Daly Fight" in Montana was started about the time of the organization of the state in 1889. It very soon attained the character of a feud and a magnitude which early involved the entire state. Although one of the principals in the strife has been in his grave for nearly a decade, the enmities and bitterness engendered by it continue to live and to affect the conduct of public affairs in Montana. The continuing conflict between these two men served to scandalize the public character of hundreds of men and to debauch the private character of thousands. It discouraged good citizenship within the state and disgraced the state in public estimation throughout the nation. If this twenty years' war between these industrial masters ever had more worthy cause or respectable origin than a petty jealousy or envious resentment in the mind of Mr. Daly, the fact never has been established in authentic record available to public knowledge.

When Marcus Daly came to Butte he was the representative of Walker Brothers, of Salt Lake City, looking for a promising enterprise and investment in mining. He had been the superintendent of a mine in Utah for that firm, having worked that far up the ladder of advancement from an Irish emigrant and laborer in the mines of Nevada. The beginning of W. A. Clark in business life was scarcely less modest or humble. The foundation of his fortune was laid with wages which he had saved until he possessed a sufficient sum to secure a small stock of merchandise, working his way upwards

from a small merchant at Bannack in early territorial times to a small banker in Deer Lodge, and finally into the banking and mining business in Butte. His first considerable savings as a merchant were expended on a home for his parents in the middle west, and his next investment from mercantile gains was in a college education for himself, an advantage of which he had been deprived by the family needs in his youth. When Mr. Daly reached Butte the letter of introduction which he brought from Walker Brothers was addressed to W. A. Clark, already a leading banker and widely known in the western mining region as a successful man of business. Clark and Daly became personal friends and this relationship, lasting through many years, was strengthened by the marriage of Mr. Daly and of Mr. Clark's brother, and partner, to sisters. Both men were members of the democratic party, and both were counted in "The Big Four" credited with direction of party affairs in the territory and in the early years of statehood. Clark developed a fancy for political honors. Daly had no ambitions in that direction, and, indeed, no qualifications for statesmanship by education, or by interest in public affairs other than as they might affect his private interests. The first break between the two men came through and after the defeat of Clark as a candidate for congress, conspicuously due to treachery to his former friend, as well as to his party, by Mr. Daly, who, while professing devotion to both party and candidate, so directed affairs that thousands of men employed in his mines in Butte and his smelters at Anaconda either were prevented from voting or were influenced to vote for the republican candidate for congress. No intelligent explanation of this action ever was afforded by Mr. Daly or his friends. The breach thus formed be-

tween the supporters and friends of the two men never was healed. Mr. Clark repaid the injury by defeating the pet project of Mr. Daly's life in the location of the state capital. In almost the next campaign Daly nourished the grudge with fierce but futile opposition to the election of Clark to the United States senate, but succeeded in involving the proceeding in so much of corruption and scandal that an investigation of the election was made by the senate and so much evidence, real and manufactured, of rottenness in public affairs in Montana was presented that Clark found it necessary to resign the office to escape adverse action by a republican senate. In the campaign which followed closely upon the end of the protracted investigation by the senate, Mr. Clark sought and secured vindication through re-election, and held undisputed title to a seat in that body during the ensuing six years. The death of Mr. Daly occurred in 1902, soon after the election that gave to his antagonist a long-delayed triumph in realization of a quite natural ambition, which in the earlier years never met in Montana worse or other effective opposition than that engendered by the Daly animosity.

Knowledge of something more than common popular estimation of these two men is necessary to an understanding of their characters, activities, and achievements. Both were very extraordinary men, and both from the most humble beginnings attained positions of commanding power and leadership, as well as vast fortunes. Without their abilities and energies in mining operations, Butte might easily have become an abandoned placer camp like scores of others in Montana. The State might yet retain its inestimable wealth in copper undeveloped, and would have escaped all the wars between copper kings, with most of the political crimes

which have diverted the powers of the state and the better parts of its natural wealth to private control and alien profit. Enough has been written about each man to make ponderous volumes. A search for authentic information about both, for use in this work, discovered nothing like an impartial or accurate printed record or account of the works and character of either. The virtues and the faults of both have been grossly exaggerated by the friends or enemies of each in consequence of the long continued warfare in which they engaged, and in which the public press and the ordinary as well as the extraordinary mediums of publicity became mere weapons in the fray. As a matter of course Mr. Clark suffered most in public regard from this means. Throughout the whole time he was either a public official or a partisan candidate for public office while Mr. Daly, during much of the time, so planned his campaigns that he was able to be posed as the private citizen striving to protect his party and his state, as well as the United States senate, against the influences and the infamies of political corruption. No falsehood ever was further from fact. There is abundance of evidence that Mr. Clark paid a most extravagant cost for his first certificate of election as United States senator, and there is equally good evidence that Mr. Daly manifested no disposition to spare expense to defeat his enemy, and approved and paid for agencies and methods and crimes, in the campaign to deprive Mr. Clark of his seat, quite as varied and in some instances more contemptible than any shown to have been utilized in promotion of the Clark candidacy. The three bulky documents containing the report of the senate investigation of the Clark election contain few honors for any one connected with it, revealing that Daly as well as

Clark, republicans as well as democrats, shared in the responsibility for the "inextricable intertwinement" of corruption with government. These disgraceful performances are recalled with no other purpose than to show the influences which have contributed to conditions making possible the evolution from a free American state to a servile instrument for the increase of corporate power and pelf. Indeed, the sale of a senate seat in Montana at that time was not without precedent in other states with greater pretensions to civic righteousness. There have been quite as flagrant examples elsewhere since that time. It was remarked by some of Mr. Clark's supporters on that occasion that he did not buy anybody who was not for sale, and in the light of subsequent events, in and out of Montana, and some notable, not to say notorious, facts of senatorial policy and conduct, it is no more than fair and due to observe that, whatever his faults, Mr. Clark, as senator, never was suspected of, or charged with, selling his influence as a senator, or of betraying his constituents to corrupt interests for private gain.

The first wholesale political debauchery of Montana was in connection with the location of the state capital. It was instigated by Marcus Daly, directed by him, at his expense, in his selfish interests, and to gratify his personal vanity. The campaign in pursuit of this coveted prize was continued through several years and furnished the chief question voted on by the people of the state at two elections. Mr. Daly sought to locate the seat of government at Anaconda, a city of his own creation, mostly owned by the corporation whose affairs he directed, and abjectly under his influence and control. It was located almost in a corner of the state, at the dead end of a branch line of railway, which, like the town, was owned

and operated by the mining and smelting company. The one plausible reason why Anaconda should be considered a desirable site for the statehouse was in the fact that Mr. Daly wanted it there. The chief argument used in behalf of the town was money. Other effective influences enlisted by the Daly forces in the contest constituted indirect bribery, and involved the educational, charitable and penal institutions of the state in bargainings and petty political considerations which have worked lasting injury to the institutions and imposed unnecessary burdens upon taxpayers to the present time. This is especially true of educational institutions, which were divided and scattered over the state in efforts to secure the support of various communities for Anaconda in the capital fight. The local jealousies and petty rivalries thus created never have ceased to be a controlling and hurtful influence in the conduct of the colleges, while the people have been compelled to bear the cost of multiplication of buildings and expense of administration. Bribery in this fight, so far as Mr. Daly was concerned, was limited only by the variety of means and channels through which it could be exercised, and not at all by extravagance of cost. One of the stories of the contest which has survived the times is, in substance, that one loyal agent of Mr. Daly incurred his displeasure after the election by returning to him several thousands of dollars with the explanation that he was unable to find new or neglected opportunities for placing it on election day. It is of passing interest that this persistent and urgent temptation to sell a public interest to serve private ends was resisted by the people of Montana on this occasion, albeit the majority was dangerously small. The important fact of the matter is that Marcus Daly established in the state the business of corrupting the

state at elections and in government for private service, and that his successors and assigns in politics and business have continued the enterprise ever since with every imaginable invention and device to defeat public interests and to perfect corporate power in the promotion of selfish private ends.

A new factor and a new faction for feudal conflict in Montana came with the development of F. A. Heinze as a conspicuous figure in mining and political operations in Butte. Heinze came to town a young man, fresh from college, and found employment in a subordinate position in the engineering force of the Boston and Montana Copper Mining Company, then an independent organization and the most formidable rival of the Anaconda company in the camp. Heinze's position enabled him to acquire a thorough knowledge of underground conditions in Butte as well as a practical experience in the most successful and extensive copper mining field in the country. He possessed brains in abundance, a fine address, a strong physique, tireless energy, boundless egotism, was "a good mixer", a prudent spendthrift, and had no moral restrictions. He made both friends and money rapidly, and spared neither in the promotion and accomplishment of his purposes. The knowledge he acquired of Boston and Montana Company properties enabled him to become a valuable ally of Mr. Daly in comparatively unimportant conflicts of interest. He broke with Daly and assisted Mr. Clark in the campaign which brought victory to that gentleman against both Daly and the newly organized Amalgamated Copper Company. When, following the death of Mr. Daly, there was temporary truce between Clark and the big combine, Heinze organized his forces with ambitious politicians, in and out of Butte, who successfully com-

batted the Amalgamated army, the Clark organization and the former followers of Daly, all combined, by appealing to the people against the dangers of encroachments by a great foreign combine on the one hand, and by attracting wage-earners with shorter work days and special concessions in his own mines and smelters, as well as with promises of legislation to secure these advantages to laboring men permanently. He organized the United Copper Company in almost perfect imitation of the Amalgamated combine at the same time, and gave battle to the captains of high finance and watered stocks on the eastern exchanges. He secured control of city and county government in Butte, as well as of the judges of the district courts in Silver Bow county, and a strong influence in the legislative and administrative departments of state government. He employed able lawyers, as well as willing judges, and laid in litigation lines of attack which menaced titles to Amalgamated properties, at the same time that he employed his mining forces and his knowledge of underground workings in Butte in gophering through some of the richest veins of his adversary's mines—bringing the ores out of his own shafts and reducing them in his own smelters, thus compelling the enemy to pay the expenses of the war. For the greater part of a decade the Heinze-Amalgamated battles dwarfed all other feudal strifes in the state and subjected all other interests to these influences. During this time every branch and agency of government, from the humblest city employee in Butte to judges of the highest courts, federal and state, within Montana, were little better than officers or camp followers of the contending forces. Heinze's strength was with the people, derived perhaps in about equal parts from their confidence in his prom-

ises and performances, and in their distrust of his non-resident adversaries. Had he possessed a better comprehension of this fact and a realization of the limitations to his personal power, and maintained a seeming integrity of purpose, together with a policy of fair play with his associates and supporters, he easily might have maintained his mastery in the state and might have become the dominating figure in the copper mining world. He took the other course, attempted to better the instruction of the kings of corruption in New York and to beat them at their own game. His abuse of power, piratical enterprise and perversion of government agencies, became so flagrant and intolerable that self-respecting citizenship revolted. He lost control of courts and sold out his supporters as well as his mines to the Amalgamated stock-jobbers, who compelled the public to pay for both as well as a liberal advance upon the purchase price through inflated values during the boom days of 1906 in addition to the actual cost. The promoters for the big combine paid \$10,500,000 for the Heinze properties, stocked them in a new company with a capitalization of \$15,000,000, floated the stock at par, and during the succeeding five years never have given an intelligent explanation to stockholders regarding either the use of the \$4,000,000 surplus or the failure to pay reasonable dividends. It has been conservatively estimated that Mr. Heinze left Butte with a cash capital in excess of \$5,000,000 above all liabilities of a financial kind. He went to New York and engaged in banking and speculation in competition with his former opponents in mining operations, is credited with having made a wager that he would make the price of his United Copper Company stocks—nearly all the productive property of which he had transferred to the Amalgamated people

—higher than that of Amalgamated in the market. Whether the wager was made or not, the price of United Copper did pass that of Amalgamated for a day. Within six months of that time Mr. Heinze's fortune was gone, he was out of the banking business, and defendant in criminal prosecutions in two states for dishonest banking, while the mercenaries of his Montana army were enlisted in public office and in private occupation with the employees and supporters of the enlarged and newly entrenched Amalgamated organization.

Within three years the copper mines and reduction works owned by Mr. Clark in Butte have passed, through purchase, to the growing monopoly. Thus the feudal wars were ended. The last formidable individual mining operator or political captain in Montana was disposed of, and the New York oligarchy of predatory wealth was without a competitor or a rival for control of the rich resources and the poor government of the Treasure State of the American Union.

## Of Pioneer State Leaders and Modern Absentee Bosses

Notwithstanding the unparalleled extension of educational advantages in this free country, the average knowledge of good and evil appears to have been derived from imperfect youthful study of the bible in Sunday school and careful reading of the Rollo books of childhood. Some seventy-five years before the Revolutionary fathers established the doctrine that governments derive their just powers from the consent of the governed, the Puritan fathers hung witches at Salem to the end that the revealed will of God should govern America. Within seventy-five years after the pioneers of Montana had hung road agents in Alder Gulch to establish the doctrine that "the will of the people shall be the law of the land," wage-earners in Montana were starved to death by enforced idleness to insure the apostles of high finance in Wall Street against loss of a comparatively trifling portion of illgotten gains. From pulpit and professor, from press and politician, mankind continues to be taught that men are either good or bad in this world, as if there were but one line of distinction or one standard of measurement for all the infinite variety of mankind—as if all good and all bad were not relative, and as if there were not something of both virtue and of vice in every one. The progress of the world in material ways from the spread of knowledge and complex civilization has increased the use, if not the usefulness, of the legal profession by a great mass of conflicting statute laws. It does not appear from the history

of men or nations that any of nature's laws thereby have been invalidated or made inoperative, while it may be questioned if the multiplicity of enactments to regulate human conduct has not increased the difficulty which many ordinarily good people find in distinguishing between right and wrong. Whether through folly or wisdom, mankind generally has reached a belief that for worldly purposes the statute of limitations ought to apply against original sin, and that devilish propensity is more directly a development of environment and culture and growth than of inherent qualities or elements of good and evil. The parasite and the profligate are recognized as the germ of diseases of society, and wholesome public sentiment is esteemed above prayer as a remedy. Precedent and custom easily become a more potent influence than vague law, with a people, as well as with judges of high courts. There was no alarming growth of socialism in America until combines had demonstrated the helplessness of the individual against the power and the profits of cooperation. There never was serious menace or preaching of anarchy in the United States before lawlessness was established in example and practice by corporate management and "Napoleons of Finance". "The Square Deal" could not have become a national issue in this country, and aroused excitement of public mind unequalled since the civil war, if the majority of citizens had not become convinced that they were deprived of hope of it by existing abuses of the powers of government.

So much of observation may be helpful to an understanding, as well as a justification, of a chapter dealing with the personal qualities of the pioneers who builded the state of Montana and of the absentee bosses who have stolen or bought control of the government.

It was not their aptitude for or participation in political affairs which made either William A. Clark or Marcus Daly great men or leaders in Montana. Both were workers, builders—fearless, tireless, practical, shrewd—with first hand knowledge of men as well as of industry. Both have been called vain. Both were proud, but each possessed and manifested a pride of worthy accomplishment; in the wealth and the success of their state as well as of themselves. Excellence of achievement was the constant aim of both. For recreation or hobby Mr. Clark turned to art, Mr. Daly to horse racing. First in Butte and later in New York Mr. Clark constructed a palatial home and adorned it with famous pictures, regardless of price. Mr. Daly established in the Bitter Root Valley the finest fancy stock farm at that time in the country, and bred race-horses until he had won the greatest event of American tracks. For and with his associates Mr. Daly developed the greatest copper mine in the Butte camp, built the city of Anaconda as a smelter town, and constructed a plant which developed into the world's greatest smelters. These properties became the foundation part or nucleus of the copper combine, and the Daly fortune was enlarged by his part in the organization of the Amalgamated Copper Company and the flotation of its watered stock at par. His death occurred a short time after the accomplishment of that enterprise.

Mr. Clark bought and developed what was in fact, as in name, the "Original" quartz mining claim in the Butte camp, and he operated it with other properties there for more than thirty years as an individual. He met exorbitant freight rates to remote smelters by enlisting mutual interests and constructing the first successful smelter plant in Butte. For nearly a quarter

century he has been the most extensive individual copper mine owner and operator in the country, but his marvelous talent for business and the development of productive enterprise never has been limited to a narrow scope, and he has acquired and utilized an expert knowledge in most widely varied branches of industrial endeavor. He projected and constructed a short line railway from Salt Lake City to Southern California, and extended his mining operations to copper mines in Arizona, coal mines in Colorado, zinc mines in Montana, silver mines in Utah. He is reported as one of the first men in America to engage in the beet sugar industry on extensive scale, establishing a large plant in California. He has developed water power plants for the generation of electricity, and built and owns street car systems, water works and electric lighting plants in important cities, works in New York where a large part of his copper product is made into wire, a bronze factory in New York, a large cattle ranch in Montana, a still larger coffee and sugar ranch in Mexico, a powder factory for high explosives in Pennsylvania, besides banking and newspaper institutions in Montana. The banking firm of "W. A. Clark & Bro." in Butte, started in pioneer days, is almost unique in important banking in the country, being unincorporated and owned now as when started, by the two partners, without limit of liability to its depositors within the wealth of its owners. In other lines as in banking Mr. Clark never has lost control of any business in which he retained interest. His profits have come from production and not through inflation of values. No stock of any Clark company ever was placed upon any stock market. During boom times and periods of wild speculation it has been noted that employees and associates of Mr. Clark in business were not lending

or selling the use of their names in wild-cat enterprises or for stock-jobbing purposes. He has resisted most alluring temptations in profit, as well as the dangers of trust competition, to maintain his independence and integrity in the conduct of his great and varied business. It is related of him also that he has retained his early day policy of personal attention to all details of business, and that no man in any Clark enterprise is indispensable to Clark or competent to advise him in respect to economical or progressive methods in any line of his business interests. Rated as the richest man who ever entered the United States senate as a member, and counted in a senate speech by Robert M. LaFollette among "the hundred men who own America," it truthfully may be said of Mr. Clark that he is one of that hundred, if not the only one, who acquired his wealth through productive enterprise without robbing either capital or labor through wild-cat investment or wage wars. This among captains of finance and industry is rare enough to give to its owner some measure of public confidence and honorable fame.

There is a human side to the Clark nature also worthy of recognition, and which has endured through all the times, and against all the influences of malignant conflict and persistent importunities which sometimes help to harden hearts of wealthy men. His charities are practical and his continuing and personal interest and supervision are exercised to insure their effectiveness. In the barren hills which encompass Butte, he created beyond the smoke zone of smelter times, in one of the canyons, a beautiful garden which, aside from the mines, is the one show feature of the Montana metropolis. Besides the ordinary attractions of a public park, including "Zoo" and fish hatchery, there are playgrounds

for children. One day in each week the park and all its concessions, with transportation to and from town, are free to all the children of Butte as guests of Mr. Clark. In the same city, as a memorial to his youngest son, he built a model home for dependent children, which has been maintained for many years. More recently in Los Angeles, as a memorial to his mother, who died in that city, he donated a great sum for the construction of a home for working girls, to be under the management of the Young Woman's Christian Association. Few if any worthy undertakings of a public character in Montana are in existence which do not owe acknowledgement to Mr. Clark for material assistance. Free from the reproach of the use of wealth in the defeat of assailants who could have been defeated in Montana at that time by no other means, the career of W. A. Clark might easily be taken as a model example of individual effort and accomplishment in the civilization of the west. Regardless of the times and conditions which made him target of partisan attack, as well as the victim of personal malice, he remains easily the most notable character in the history of the material life of Montana, and not less worthy than most of his detractors and contemporaries in most other particulars.

These men most famous beyond the boundaries of the state were not in fact most conspicuous among the men of influence who participated in laying its foundations and forming the controlling character of the citizenship of earlier years. The volumes of the Historical Society of Montana carry the names of hundreds who played leading parts in heroic or successful performance. The state map with its subdivisions reflects the recognition of distinguished services of pioneers by their successors. There are counties named in honor of Lewis

and Clark, of Andrew Dawson, Gallatin, and Choteau, among early explorers and adventurers; for good Father Ravalli, whose effective efforts in early missionary work among the Indians were notable, and whose exemplification of the work of Christ among the savages of an unexplored wilderness is become a treasured tradition with red men and white alike at the present time. Later comers whose names were perpetuated in county nomenclature were Broadwater, Fergus, Custer and Sanders. Of all these only Col. Broadwater acquired large wealth, and only Col. Sanders reached distinction in political life. The list of leaders might be extended to include scores of men, now scarcely remembered by others than the few surviving pioneers, who were not less active and able in the important work of early times. Almost every one of the hundreds of mining camps, whether grown into modern cities or long time abandoned to desolation, is rich in historical association, and almost all of them developed citizens who became important characters in state affairs. The professions were recruited from the placer mines to a large extent. Hon. W. Y. Pemberton, who reached the distinction of a seat on the bench of the supreme court of the state, and whose venerable years are being devoted fittingly and lovingly to the collection of state history as librarian of the Montana Historical Society, crossing the Rocky Mountains in a Pullman car, enroute home from a world's exposition west of Montana, pointed out the gulch where he had crossed the mountain range on foot, "whacking a bull team" to pay his way with company from Fort Benton to Virginia City, the trip requiring nearly three months' time when made half a century before. This same judge, a competent authority, has a mind filled with memories of the men and times when

law was practiced and interpreted with regard to justice rather than to special interests.

When an approved school text book, dealing with history and literature, published since the beginning of the twentieth century, treats the country west of the Mississippi River as if it had been settled by criminals and vagrants not yet redeemed by the saving grace of eastern "culture", it becomes of interest, if not necessary, in telling the history of the surrender of a western state to eastern influence, to emphasize the fact that the pioneers of that state most responsible for its character as well as its formation, were not outlaws. Of the prominent men thus far mentioned, nearly all had some part in the work of driving outlaws from the territory before agencies of law had been established. It will be noted, too, that much and the worst part of the lawlessness referred to is of that variety most easily and generally recognized as legalized by incorporation under the laws of New Jersey.

Wherever American periodical publications are read, there is some knowledge and estimate of the Montana people gained through advertisement of conflicts between factions and corporations mentioned in this work. Not one in ten thousand of these enlightened American citizens, outside of Montana, ever heard of Cornelius Hedges. Yet Mr. Hedges was a distinguished resident of Montana for more than forty years, dating from the time of the creation of the territory from which it was formed. It is doubtful if any man who ever resided within the borders exercised a more extensive individual influence, and it is certain that no man ever was more universally respected and beloved within the state. Some understanding of his character and conduct, therefore, will aid to better understanding of the

principles and ideals which governed in the minds of the Montana public during his lifetime. The data here presented is taken from a sketch of his life written by his son and published in Vol. VII. of contributions to the Historical Society of Montana, after his death.

Cornelius Hedges was a native of Westfield, Massachusetts, born in 1831. His father was a blacksmith. The son received his early education in the public schools and graduated from Yale College with the class of 1853. After leaving Yale he attended Harvard Law School. In 1864 he arrived at Bannack, Montana, removing to Helena in 1865, which place was his home until his death in 1907. It was not as a lawyer in famous cases nor as a rough and ready fighter in times of disorder that Mr. Hedges exercised influence or earned his standing among his fellow men. It is related that he took "an active part in the establishment of law and order, assisting by wise counsel and active support the wresting of peace and safety from the terror of \* \* \* road agents." His biographer says that "From 1864 to 1870, when Wilson and Compton were hanged at Helena, he was among those who stood with the Vigilantes, but none were more relieved than he when law was established and the courts took into their own hands executions, after due trial by jury and sentence by judge". The tribute is in the announcement, in connection with this conduct, that "He was so great a lover of peace and civil quiet, that he felt it a necessity of the times that a few lives of notorious regenades should be sacrificed in order that the many law-abiding citizens \* \* \* might build up the homes he longed to see here". The same author in the same sketch reveals an influence in Vigilante times effective in improving those times and which has exercised great influence for good

upon the citizenship of the state ever since. The sketch says:

"It speaks well for a secret order, that its fraternal ties are strong enough to bring men together under such conditions as brought those early Masons to know each other. The supremacy of the 'road-agents' reached the acme of its power when the units of society were separated because of not knowing each other. While the better elements cried for a new order of existence, the individuals were unknown to each other. Mass meetings might bring together many of those wishing to inaugurate a new regime. But the work of accomplishment, the actual execution of known criminals, who would be warned, sheltered and assisted by many friends, presupposed a large, strong, growing sentiment among men who had absolute confidence in each other. It was here that Masonry stepped in, performing quietly a great work whose beneficence has been a blessing to this whole State; like the small spring flowing from the mountain side, which gathers force as it goes on in ever-increasing volume, to the accomplishment of untold good to mankind. We believe it was this idea that endeared it to such men as Wilbur F. Sanders, Judge Hedges and many others conspicuous in the Masonic fraternity and in our early history."

Mr. Hedges had joined the Masonic Order in Iowa in 1858. He became affiliated with the Order in Montana in 1865. He became the grand secretary of the grand lodge of the state in 1872 and retained that position until his death thirty-five years later. He started the first public library in the state at Helena in 1868 and laid the foundation for the important institution of that character now at the state capital. In 1872 he became the first superintendent of public schools in the territory,

which at that time had not a mile of railroad within several hundred miles of its boundaries, and for a number of years travelled great distances to remote settlements, getting together the few teachers obtainable, and stimulating the work of organization and advancement of educational forces. He was one of the group of men which made first authentic exploration of the Yellowstone Park country, and was the author of the idea of having it set apart and maintained as a national park. He was a member of the territorial constitutional convention and of the first state senate. For years he was one of the editorial staff of the most aggressive paper in Helena, and held official positions in a variety of organizations designed for civic and social advancement. The wide scope of his knowledge of men and experience in affairs in Montana is indicated in one paragraph from this sketch of his life:

"Judge Hedges was intimately acquainted with the governors, judges, public officers and public men of Montana from the time Montana had a separate name to the day of his death. From James and Granville Stuart, the original gold discoverers in our state, 1857, and Henry Edgar who first 'struck pay dirt' in Alder gulch, 1863, from X. Biedler, John Williams, Neil Howie, George M. Pinney, whose names were the terror of the 'road-agents', from Governors Sydney Edgerton, Thomas Francis Meagher (acting), Green Clay Smith, from Judges Hosmer, Munson, Simms, Wade, to present supreme court bench, from James Fergus, W. L. Steele, N. P. Langford, on down the long line of pioneers, he had talked with them all; gone over with them the days of 'Jim' Bridger and of John M. Bozeman. He liked to laugh at the gentle (?) hint that was given Acting Governor Meagher, who, upon finding a fellow-Irish-

man, James Daniels, imprisoned, and under grave suspicion, saw fit to pardon him. The citizens, who had been long cognizant of his true character, as promptly hanged him to the old 'pine tree' gallows; and, thinking the occasion appropriate, took his Excellency's pardon from the dead man's pocket, pinned it on his back with the plainly-written legend: 'If our acting governor does this again, we will hang him too.'

Whatever the faults or virtues, the feuds or fads, of these pioneer leaders and their immediate successors, there never existed reason for the slightest suspicion of doubt regarding their loyalty to Montana, their friendship to her people, and their concern for her prosperity. The greater part of their wealth taken from the ground found investment within the state in new enterprise or in permanent improvements, private and public. There was wholesome rivalry in generous enterprise and honest competition in business. Outside capital was attracted to the profits of investment in productive mines, but those profits then were limited to the earnings of such invested capital without impoverishing labor or ruining the business of individuals by the exercise of monopoly powers. The inexhaustible mineral wealth of the Butte camp was being mined by a great number of independent companies, each with its own organization, from owner to mucker, and all with interests in Butte.

Less than a decade of time has been required to bring the mineral wealth under combine control, to dismantle all the half dozen great ore reduction works in Butte which employed thousands of men; to acquire most of the tremendous water power and electric power resources of the state to one ownership, together with the most valuable franchises for the public utilities of

water and light and power in cities; to bring the banking interests of the state practically under the domination of a single chain of banks owned by the same interest; to compel the best part of the mercantile interests of the state to pay tribute to these banks; to bring the agencies and officers of state and local governments under subjection and into service of the same interests; to reduce the profits of wage earners and to make their conditions in industrial centers little better than those of bond slaves; to transform the functions of a public press from public service through public information to a perfectly organized machine for the suppression of knowledge and the deception of its patrons. All this by the power of lawless corporate combination and the thimble-rigging of high finance, exercised by absentee bosses who have gained possession of this inestimable wealth and control of these stupendous influences without honest investment, honest purpose, or honest accounting whatsoever.

Who are these absentee bosses?

They constitute a small group among the conspicuous confidence operators of Wall Street.

How did they get this enormous wealth and these tremendous powers?

They bought some of it from the owners of the property and some of it from law-makers and other officials employed by the public.

Where did they get the money?

That, also, they got from the public.

What did the public get?

The public got watered stock in a generously assorted variety of mining, smelting, water power and public utility companies.

Do the operators pay dividends on these watered stocks?

Only when it suits their convenience and promotes their efforts to unload more watered stocks.

## The Campaign For Monopoly Control

During the first ten years of the twentieth century, this state, saved from outlaws by vigilantes, was lost to lawlessness by lack of vigilance. The campaign for monopoly control was planned in and directed from New York, under the laws of New Jersey. "The Story of Amalgamated", richly embellished with picturesque phrasing to run as a serial in a leading magazine, and which afforded the sensation of a year among the lambs of the stock gamblers' world, and the pigeons of American society, as the first authentic exposure of "the system" in "high finance", was little more or better than an uncompleted chapter in the story of the campaign for monopoly control in and over Montana.

The Amalgamated Copper Company was organized and floated by H. H. Rogers, closely associated with other members of the money trust of America, with design to do with the copper business what they had done with the oil business of the world and what they had made fair beginning to do in the steel industry, in transportation, and in numerous less important branches of bread-winning enterprise. What was known as the Standard Oil group of money kings was then supreme in Wall Street. The Amalgamated Company, like the others, was to be a benevolent trust, designed to reduce the cost of the product by increasing the economies of production.

In the strifes and struggles growing out of this venture, a few of which have been referred to in previous chapters relating to Montana affairs, formidable ob-

stacles were met and serious temporary defeats encountered. The stock gamblers' panic of 1907 was an outgrowth of, as well as an almost fatal blow to, the conspiracy. How infinitesimal individuals become in these combats between organized greed and human interests, and how absurd and vain the pretensions of the Lawsons, Coles and Ryans, and other high corporals in the promotion forces of corporate achievement, is revealed by the fact that in one of the battles of this contest the commanding general, Rogers, lost much of his fortune to rivals in the game and sacrificed his life through exhaustion of his almost matchless energy and nerve and ability in the fight; Amalgamated itself, menaced by law, discredited in public confidence and depreciated in market value, was prepared for dissolution, while a mere subsidiary company of the organization, given new powers by special laws corruptly procured in Montana, was equipped as a vehicle to carry the load and to forward the work of acquisition and abuse of power, with new agents but with the old intangible, insatiable, irresistible power of incorporate avarice in control, and in command, and in Wall Street.

It was a long, rough road, paved with fraud and crime, from the conception of the copper combine in the east to the consummation of possession under one management of most of the productive wealth of Montana. Men like Daly and Clark and Heinze, with means for as well as experience in warfare, were able to command terms which gave them all that their properties were worth to secure their removal from the field of competition, or cooperation with the combine, as in the case of Mr. Daly. While the amalgamation of these interests was being accomplished during a period of a dozen years, lesser interests and influences were being absorbed or

destroyed, as conditions made most favorable opportunity. Even in the earlier times of fiercest strife, mutual interest in ability to exercise large powers by corporations made it possible to unite rival influences to secure legislation to validate combinations of corporate ownerships prohibited by constitutional and statute law of the state. The use of political organizations in private business had become a habit of corporation management in the United States before Montana was admitted to the Union. It was a habit much in vogue in that state from the start. Voters were divided in their minds by partisan lines, but politicians early were taught the value of an open mind in their business. Since the first defeat of Heinze in a political campaign in 1904 there has been in Montana no important political convention of any party, with strength worth consideration, which has not been subject to the influence and the contributions of agents and local bosses of the Amalgamated Copper Company.

With the state almost evenly divided between the two principal political parties, this corporation has had small difficulty in holding a balance of power by control of votes in the industrial centers where its interests dominated. The prizes and rewards of politics have been so equitably divided as regards parties that influential men in both parties have been kept under continuing obligation to the corporate power, while those who aspired to distinction through faithful public service or honest opposition to dishonest policies of government have been taught, through punishment or defeat, the dangers of such a course; and at the same time have furnished a deterring example to other men with ambitions. The care with which this policy has been pursued is demonstrated by the fact that during all the

years of Amalgamated participation in politics in effective way there has been a democratic governor, with some other state officers from the opposition party, and victory for republican candidates for congress and presidential electors with uniform regularity, regardless of whether the head of the Amalgamated Company in New York and its managing director in Montana were self-styled republicans or democrats. There has not been a session of the legislature within the state during the present century which has not enacted special laws, usually in conflict with constitutional inhibition against such laws, to legalize or validate some step in the perfection of the copper combine's organization, secured by bribery or intimidation practiced by lobbyists for the company, who have been active not only in the lobbies but upon the floors and in the seats of members of both branches of the legislature. The controlling influence of these lobbyists in the organizations of the legislative departments, and in the appointment of committees which determine what measures shall be advanced and what defeated, has been flagrant and notorious.

The reason for the support of the republican party candidates by this combine influence in national affairs has been shown by results, even if it could not be readily understood during years of republican control in national government. There has not been a year since its organization when the Amalgamated Company or its constituent organizations did not have important questions before the federal courts of Montana. There has not been a federal judge in Montana during the dozen years, and with four different men holding that position during that time, who has not been known at least as "friendly" to the Amalgamated political managers or interests in the state. These political influences or agencies have

been conspicuous twice within that time in securing the appointment or confirmation of federal judges, and efficient at least once in opposition to such promotion for an honest, capable, experienced member of the state judiciary who had the endorsement for appointment of practically all the bar and the people of the state not subject to Amalgamated control. The accuracy of the statement that genius consists in the capacity for infinite attention to details is confirmed by the genius of this monopoly institution. Federal judges are important in its business; but postmasterships and the most insignificant crumbs of government patronage are useful as rewards to supporters and as means to lighten the load upon the political pay roll of the all-absorbing organization; even if the sworn testimony in official record of the United States senate did not show that the corporations' most efficient and unscrupulous political operator had in emergency found it necessary to break the seal of private correspondence in search of information, and thus illustrated that there may be times when facilities for access to the mails are beneficial to certain interests.

The first departure in this rule of success for republican candidates for national office came in the election of 1910, when a democratic legislature was elected to insure the defeat of a republican candidate for re-election to the United States senate. This exception proved the rule. The republican thus defeated had become notorious as a corporate tool. He was defeated in republican counties by republican votes for democratic candidates for the legislature. This result obtained in almost every one of the agricultural and livestock raising counties of the state where independent republican voters lived; yet with this result in republican counties,

and in an election when democrats were sweeping the country in other states, this unfaithful republican senator was almost victorious in Montana by reason of the fact that every effort conceivable within the power or direction of the Amalgamated organization was exercised in his interest in the democratic counties of Silver Bow, Deer Lodge and Cascade, where company influences are greatest, with the consequence that republican candidates were returned from these counties with open support of lifelong democrats directly employed by the company.

To summarize this feature of political control, it is concisely and exactly true to state that the Amalgamated Copper Company and its constituent interests have better organization and control in both of the principal political parties within the state of Montana than either party possesses of and for itself. Under such conditions, it is apparent that this control will endure so long as citizens of the state can be persuaded to divide along existing party lines at the polls. It could not endure through a single campaign if citizens would exercise the same non-partisan intelligence displayed by the corporate managers; but it could not have obtained in the first place without the aid of unyielding loyalty to party, born quite as often from prejudice and ignorance as from patriotism and knowledge. The only question of general importance to a free people actually involved in any political campaign in Montana in a dozen years has been whether the rights and powers and benefits of government should be restored to the people of the state or continued as an asset and influence of alien corporate combine through corrupted public servants. There has been no campaign in which this question has not been raised in some form. There has been none in which it

was not obscured or hidden by false issues or clamorous contention between partisan forces directed alike from combine headquarters. It is a frequent political spectacle in Montana to see the chief leaders and organs of rival political organizations all charging each other with being owned and operated by the copper combine in opposition to honest government and public interests; and all telling the truth in this important particular and in no other throughout the contest. The organization is at once so complex and so perfect that its several parts can be made to work harmoniously for results independently, in conflict, or together. The combine lobbyists have been known to put the combine brand upon one combine agent to promote the candidacy of another less well known to the public but no less completely under control and selected to serve upon an opposition ticket. Under an arrangement where men working for the same employers and paid from the same corruption fund can be made to act in ignorance of the true employment of each other, it is not surprising that ordinary voters are kept in doubt or misled with respect to the character of candidates. And all the time the work of recruiting the forces goes on within both party organizations, with all the arguments afforded by ability to reward services with public flattery, with promise of power, with real money on the one hand, or with disgrace, defeat and destruction of business on the other.

Honorable men with worthy ambitions, strong in public esteem, are given pause in patriotic impulse by the power of their party organizations. At the same time dishonorable men with unworthy ambitions, weak in public respect, are permitted to secure responsible offices in recognition of party loyalty, and yet are expected to resist the influences powerful enough to control all the parties.

In the first political contest wherein the then young copper combine sought to determine the result of election in Montana, it was a boast which became a part of the printed record of the campaign, that it cost the Amalgamated Company and its allies \$80,000 to keep Joseph K. Toole out of a democratic state convention as a delegate from the county of Lewis and Clark; but Joseph K. Toole had the confidence of the people and such exclusion at that time was not enough to prevent his election to the office of governor by popular vote. In the early litigation between Heinze and Amalgamated interests it became a part of the court records through sworn testimony that the copper combine, through its legal department and other employees or agencies, had endeavored to persuade a district judge of Silver Bow county to confess subjection to corrupt influence and resign his office, the argument offered in persuasion reaching to an offer of \$200,000. These are mere incidents of history, illustrating the extravagance and inefficient methods in the earlier part of the campaign for monopoly control, which serve at once to prove and to emphasize the great advancement which has been made in economy as well as in efficiency by practice and growth. The last time Joseph K. Toole was elected to the office of governor he was supported cordially and with crooked and corrupt practices by the Montana managers of the copper combine and his administration received most hearty commendation from the same organs and agents of its interests which formerly had viciously and vainly opposed him. Today every district judge in Silver Bow county is indebted for both selection and election to employees and agents of the copper combine, the administration of justice in Silver Bow county is in entire harmony with the public

policies and pronouncements of the combine, and there is no suspicion manifest that real or proffered compensation for judicial services is different or greater than that designated by law as salary to be paid by the taxpayers. It is the policy to create public sentiment rather than to combat it. It is cheaper to elect friendly public officials than to persuade unfriendly ones. It is not necessary to endeavor to recall public officials by sordid appeal when the same interest can control all political conventions and exercise a balance of power between parties at all elections. It is not impossible to control all conventions and to exercise such balance of power when the same interest employs most of the politicians, owns or controls nearly all of the newspapers, directs the management of the principal banks which fix the credit of most business men, and maintains supervisory control over the employment of wage-earners in most gainful occupations in the state, public and private.

Originally abundance of resources gave large and effective power of reward. Eventually considerations of economy, as well as of security against public scandal and resentment, prompted the managers to substitute punishments for rewards as inducements or incentives to action. The high federal court for the district of Montana determined that a boycott by members of a labor organization constituted an unlawful conspiracy and punished several members of such an organization for endeavoring to influence the public against patronizing in Montana an eastern manufacturer of paper patterns for women's and children's frocks, who in some way employed non-union labor. The supreme court of the state of Montana in a learned opinion determined in effect that a boycott was not a conspiracy or a crime

under the laws of Montana. Meanwhile the corporate combine which dominates the state has systematically, effectively and mercilessly used the boycott against wage-earners and labor organizations, against professional men, business houses, newspapers, public officers, and anything or anybody which it could reach and could not make auxiliary to its control of government, of business, and of people, within Montana. No victim of this exercise of lawlessness has as yet sought remedy or relief through court proceedings, and no public servant entrusted with the duty of enforcing the criminal laws has found occasion to prosecute the offenders as happened when they represented the wage-earners of the country instead of the combines of Wall Street.

When the enterprise of creating a monopolistic control of the copper-producing industry was started, apparently the projectors had no concern for any other wealth of Montana than that contained within the copper mines. Their interest in the law and its administration at that time seemingly did not extend beyond preventing interference with their plans. The war waged against them by other copper interests' operators furnished a necessity for some of their political activities, and the excuse which they have made conspicuous in attempted justification of all of them. Recurring obstacles, in and out of the state, in the way of completion of the work of monopolizing the copper business, compelled the promoters to fortify the combine against attack from national as well as state officers of the law. During this time there came a realization of the incalculable value of water power with the multiplying uses of electricity, and a comprehension of the opportunities for multiplied profits through the transmission of this power and control of public utilities in cities. An

aroused public sentiment throughout the country against the great combinations in control of industry and commerce, with consequent prosecution of various combines by national authorities, placed in new jeopardy the scheme for a copper monopoly as organized on the approved trust plan under New Jersey laws. All of these conditions contributed incentive to efforts for new enterprise and new powers for the copper combine engineers in Montana. On his first and only visit to the state, soon after the organization of the Amalgamated Company, the late H. H. Rogers, then president of the company, announced the policy to be to dispose of company stores and other allied interests, and to confine the business of the company to mining and selling copper. The conduct of affairs for a time following his visit indicated honesty in his statement. If he changed his purpose the fact never was made known in Montana. Following his death came the change in policy and in plan of operation which involved as a necessary part of success the complete control of government and courts, and the extension of influence to all parts of the state where there were water powers to be grabbed and developed, or cities to be supplied with public utilities at prices to insure large profits. The field had been made fertile for these efforts by previous corruption of political and public agencies. Honest ambitions had been discouraged by defeat and honest citizens had been disgusted with results. Dangerous rivalries had been removed and formidable adversaries had been retired or pacified. All that remained was mere matter of detail performance. These details furnished the comical history of Montana, the story of the ruling and robbing of a great state by pigmy intellect and statesmanship, under the direction and for the benefit of bandits of high finance in New York; with applause by the victims.



## Some Field Marshals of Napoleons of Finance

Not the least wonderful among the marvelous changes in the life of the present generation is that which marks the transformation of rule in a young American state from the pioneer leader to the modern political and industrial boss. The one, with rare individual courage and with the risk of death, did lawful things in an unlawful way to establish security for life and property, to maintain order and to do justice; the other, with cowardly instinct and knavish propensity, does unlawful things in lawful way to pervert organized power, to defeat justice, and to despoil his neighbor of rights and property. The pioneer played the part of a man with pride of good reputation to preserve on earth and some sense of existence of souls to be saved for eternity; the corporation corruptionist represents in purpose and performance an organized power designed by crooks to overreach their fellow men while avoiding personal responsibility for their crimes. The eminent rogue, perfect in evil accomplishment, is no less a development of environment, opportunity, civilization and evolution, than a Washington, a Lincoln, or the tramp.

More than one field marshal has been required in the conquest of Montana. All the power and wealth of the kings of Wall Street could not persuade Mr. William Scallon to become a rascal. Acquisition of all the power and wealth in Wall Street cannot make Mr. John D. Ryan less than a conscienceless rogue. In the modern school of "High Finance" and "Big Business", the first represents conspicuous failure and the second pre-

eminent success. Each was entrusted with the great power of direction of combine enterprise in Montana. Each by individual character and effort exercised a potent influence in the affairs of the state. The first, in good faith and with constant concern for public interests and the rights of humanity, labored vainly to put in practice the theory that there can be good trusts and benevolent despots in harmony with free government and equal rights. The other, with single devotion to avarice and with great resource of duplicity and chicane, attained power by much aptness and ability in preempting claims to dead men's business shoes, acquired high rank among the leaders in rapacity, and enormous wealth through control of vast estates and by swindling the public through most flagrantly dishonest stock-jobbing operations on mammoth scale.

In character, ideals and performance these two men present excellent types of what became known as the Progressive and the Reactionary or "Standpatter" in American life. They exemplify, if they do not personify, the causes and interests of the great conflict in progress throughout the nation which is disturbing business, disrupting political parties and distressing society. Friends for years, co-religionists, mutually indebted for support and counsel, employed by the same interests—disagreement, conflict and separation between them became as irrepressible as between an abolitionist and slave-holder in the '60s, as inevitable as strife between La Follette and Aldrich, Roosevelt and Taft, Bryan and Boss Murphy, during present times.

As a young attorney seeking location, Mr. Scallon entered Montana about the time of the ripening of the Clark-Daly feud. With singleness of purpose and fidelity, which marks all his relations in life, he applied him-

self to the work of his profession. This was rewarded, after some years of struggle for mere means of existence, with success which attracted the attention of Marcus Daly, and Mr. Scallon became the personal adviser as well as the legal counsel in Mr. Daly's great business affairs, a connection which continued during the life of the client. With his time fully occupied and well remunerated by professional work, strong in principles and scrupulous in methods, Mr. Scallon had neither inclination nor occasion for part in the political strifes of those days. When Mr. Daly merged his properties and interests with the newly organized Amalgamated Company, and a man was needed in Montana to take charge of the direction of affairs, it happened naturally enough that the choice should fall on Mr. Scallon. Whatever the faults of the late H. H. Rogers as a monopoly maker or a stock speculator, the conduct of his enterprises revealed persistent regard for public opinion on the one hand and an appreciation of the value of capable and reliable men for employment on the other. Wage wars or attacks against public sentiment formed no part of his campaigns for riches. A good fighter himself, he realized the value of zeal and reliability in his forces. If he anticipated "copper wars" to follow the creation of the big combine, he did nothing beyond the organization itself to provoke them. Whatever the purpose, the policy of operations was to find economy in modern inventions and appliances, by increased capacity of production and efficiency in operations and management, rather than in wage reductions, "pluck-me" stores, and kindred forms of petty larceny on employees and public. The fact is that during the first few years of Amalgamated existence, and all the time in which Mr. Scallon was connected with the enterprise, the company was

on the defensive, fighting for existence, so far as Montana conditions were concerned. It would have been difficult to have found a man better qualified to be the company's chief representative and director in the state if the business could have been conducted without piratical attack, as a legitimate mining business with the chief view to insuring honesty in management and public confidence and approval. It would have been quite as difficult to have found a man less well qualified than Mr Scallon to command the forces in such a warfare as followed. His ability as an organizer and in the conduct of large industry was shown by the fact that following his retirement there was almost no change in the personnel of employees in responsible positions other than those due to the abolishment of places through consolidation of corporate organizations and the abandonment of subsidiary plants in consequence.

Against such warfare as the Heinze forces waged, Mr. Scallon was a poor antagonist, if there is anything in the theory that the devil is best fought with fire. The weapons employed included anything in lawlessness from bribery to murder. Falsehood, scandal, and every conceivable form of trickery and dishonest contrivance—in politics, in litigation, and in mining operations—were mere incidents of the combat. The corruption of government agencies extended from the voter at the primary to judges in courts of last resort. To make a man like Mr. Scallon—with high ideals and a strong sense of justice founded on profound faith in correct principles of law, firmly attached to method by right rules of conduct, as modest as a good woman, sensitive to the point of pain, personally brave to the extreme of recklessness, a devout christian—to make such a man at once the leader and the target, was to practice cruelty

upon every quality of his nature and make his most conspicuous virtues appear and be weaknesses for the struggle. While his honest pride rebelled and his decent impulses revolted against the necessity of meeting the attacks of the enemy with similar arguments and appeals to degraded human-kind, a high regard for duty to those who employed him, no less than righteous resentment against the scoundrelism which prevailed, added to his perplexities. These were increased by conditions of a situation where a maze of lawsuits, based on every imaginable pretext of cause of action, made it necessary to preserve separate complete organizations of different companies and properties, under nominal control of the Amalgamated corporation, resulting in divided authority and a "multitude of counsel" more productive of confusion than added wisdom. With promptings which may be readily conjectured from the foregoing statement of conditions, Mr. Scallon repeatedly tendered his resignation in New York. Mr. Rogers persistently urged him to retain his place and to permit details of the conflict repugnant to him to be cared for by others.

Late in 1903 the outrages by judges in Silver Bow county controlled by Heinze became so flagrant that it was "judicially" determined by them that the Amalgamated organization was an outlaw without rights to exist or to conduct business within the state. Mines and smelters closed, the mere mercenaries who had ruled in Butte were temporarily brought to some sense of right by impending necessities, decent public sentiment throughout the state asserted itself, the legislature was convened and enacted a law giving to clients a right of change of venue or place of trial from biased or disqualified judges, and Heinze's power through exclusive

jurisdiction of courts of Silver Bow county was destroyed. Two months later Mr. Scallon persuaded Mr. Rogers to accept his resignation and relieve him from a situation which had become intolerable to him. From that time to this, Mr. Scallon has refused offers of position or retainers from the Amalgamated Company and all of its allied interests. He reopened his private law office and remained in Butte for several years. His consistent refusal to accept cases either for or against the interests which he had formerly directed in the state, in effect, deprived him of opportunity for professional business in what had become practically a one-company town. Meantime he applied himself to the improvement of conditions with which his experience in the "copper wars" necessarily had made him familiar. He took active part in the organization of a civic league and waged a war against lawlessness, which closed open gambling in the Montana metropolis in earnest for the first time since the camp was discovered; and he did it without either fear or ostentation, notwithstanding that the lawless interests ruled the town alike in official and business circles, and that some of their agents, worthy of the task, went about with weapons and avowed determination to end the campaign by desperate means. He went to the legislature as a member and secured the enactment of the most comprehensive anti-gambling law upon the books of any state, and of statutes efficient to wipe out wine rooms and dens for the destruction of woman's virtue, even in Butte. While at the head of Amalgamated affairs he not only rivaled but alarmed the practical politicians with platform pronouncements for reform laws, and he went beyond the rivalry and alarmed them still more by aiding to secure the enactment of such laws. He was a progressive republican, honest

and consistent, while yet the nominal directing head in the contest which was to establish in Montana a combine monopoly. He surrendered a salary sufficient for president of the United States in voluntarily resigning that position. He expended, in working for the betterment of conditions and improved laws and in generous aid to those in need, more than all that he had saved. An incident of the "copper war", at the time of its most extreme emergency, reveals at once the character of the man and why, to use a pet phrase of a high commander of high finance, he is "an impossible" in big business. It was the day Judge Clancy handed down his decision declaring the Amalgamated Company without lawful existence or right to do business in Montana. Orders had been issued to close mines and smelters, and the preliminaries necessary for stopping operations employing some fifteen thousand men were in progress. Mr. Scallon had gone to Anaconda in connection with measures for the protection of the great property interests in the smelters there. One of the subordinates summoned to meet him at the hotel found him sitting alone and dejected in a private office. Mr. Scallon inquired of the caller if he believed the shut-down was justified.

"Certainly. There was nothing else to do under Clancy's decision."

"Of course, I know that," mournfully responded the Montana representative of a soulless combine. "I was not thinking of that. I was thinking of all these thousands of men being thrown out of work on the eve of winter."

He was protecting the property and the interests and the rights of the corporation. He was thinking of humanity.

Mr. Scallon removed to New York city to engage in the practice of his profession in 1910. At that time the

writer, then an editor in Montana, published the following article, reproduced here as timely illustration of the change which comes to public sentiment as well as to public affairs and public men when a corrupt combine controls a state:

**"OF A GOOD MAN GONE TO NEW YORK"**

"In the removal of Mr. William Scallon to New York this week, the state of Montana loses one of her most useful and most loyal citizens, one of her most admirable and lovable men.

"It will surprise some among quite intimate friends of Mr. Scallon in Montana to learn that he left the state because he possesses no other fortune than his abilities and had become convinced that, under conditions which have obtained, he could not earn means of existence in Butte without employment in his profession by interests which he was unwilling to serve. This is a surprising statement to make about a man who has been long distinguished in his profession, who attained to chief position in charge of controlling interests in the industry which dominates the state, and who undoubtedly received a considerable fortune annually for his services during a period of many years. It becomes astounding when coupled with another equally and exactly true statement that he squandered no wealth in prodigal ways or in speculation. The simple explanation is that this remarkable man possessed so little love of money that he was able to give it away, without advertising, to whoever or whatever to him appeared worthy and in need of it. Another modern peculiarity of his character was a confirmed habit of giving his own money, instead of that belonging to the stockholders of companies, or to individuals, which entrusted him with the conduct of their affairs. Plainly a whimsical person, withal.

"Naturally, a man of this kind became regarded as erratic by the high financiers and brevet-captains of industry who succeeded to the corporate powers which he cast away rather than to approve of the purposes and methods in promotion of which it was determined that they must be exercised. Naturally, he was adjudged a crank by ordinary legislators, when he employed private clerks and stenographers at his own expense to assist in routine work while he was engaged as a law-maker in adding stringent statutes to the Montana codes against wine-room evils and public gambling. Naturally, angered criminals, with guns in pockets and threats on lips, denounced this man as crazy when he led in person, in prosecution, and with resources, the movement which made law enforcement against public gambling a reality, instead of a conspicuous farce and weapon of official and private blackmail, in Butte.

"Measured by the standards of mercenaries, of swindling stock-jobbers, of 'malefactors of wealth,' of traffickers in official power, of bargainers in treason, of habitual criminals of high and low degree, Mr. Scallon is deficient in intellect. Clearly he lacks the ability to comprehend the virtues and advantages of versatile rascality. He is short of that phrenological bump which enables its optimistic possessor to anticipate glorious mortal fame in the shadow of the penitentiary, and rest for the soul in eternal damnation. To him does not appeal that trend of artistic temperament essential to hypocrisy. The streaks of yellow in his formation are pure gold. Bald swindling is beneath him. He is too proud to stoop, too brave to cringe, too great in simple manhood to become mean and small in action.

"So Mr. William Scallon has gone to New York, unhonored and unsung by the trust scullions and organ

grinders of Butte and Montana, most of whom owe all their influence and much of their prominence in the world to his generous friendship or Christian forbearance. He will carry with him a spotless integrity, a reputation for great ability as a lawyer, an established character as a gentleman, and the enduring good will of all decent-thinking people in Montana who ever knew him."

The man who succeeded Mr. Scallon as field marshal of Napoleon Rogers in Montana excelled in that kind of equipment wherein his predecessor had been esteemed lacking. Organized greed could teach him nothing in selfishness and no awakening conscience disturbed the dreams of his avarice. He combined a pleasing personality with the arts of dignity. He reinforced plausible argument with flattering persuasion, and possessed to the full extent of its power that peculiar combination of talents which enables the distinguished kings of finance to entice enemies and fleece friends with equal skill and unction. In the early days of trust-making the promoter was aptly described as "one who sells something he hasn't got to somebody who doesn't want it". Mr. Ryan acquired his first considerable wealth through commissions on transactions of that variety. But being both bright and painstaking as a student, he early became a post-graduate in that more modern and advanced school which teaches that the highest attainment in business is to buy control of public necessities and utilities, with lawful procedure through the purchase of law-makers and law administrators, at the same time obliging the sellers to pay the traitorous public servants and take their own moiety of compensation from the profits of the business after these also have been paid by themselves.

In all the miraculous achievements of aerial navigation it is doubtful if any reckless adventurer has reached a greater height than that of fame marked by Mr. Ryan in the atmosphere of high finance by sheer reliance on the power of hot air. He was reared in the copper mining regions of Michigan, but without experience or education in mining. With a very common school education he went forth to make his way in the world, reaching Denver while yet a young man, attracted there by the presence of a prosperous relative. There he secured employment as a traveling salesman for the Continental Oil Company, later a constituent part of the Standard Oil monopoly, and there presumably received his first practical lessons in combine methods. Montana was included in the territory which he covered, and Mr. Scallion, as a ceremony of friendly regard, assisted him in an acquaintanceship with Marcus Daly which enabled him to include the Anaconda Copper Mining Company on his list of customers. After Mr. Daly's death Mr. Ryan succeeded in securing for himself a close connection with the Daly estate as an officer of the Daly Bank in Butte, and took up his residence in Montana. He continued to maintain most friendly relations with Mr. Scallion, then at the head of Amalgamated affairs in Montana, and was almost always noticeable on public occasions and in counsels during the period of conflict between Heinze and Amalgamated. He became a conspicuous participant in everything which assisted to keep him in the public eye, and at the same time exercised a large influence through his friendly relations with high company officials as well as with the power of his own position at the head of what was really a company bank in Butte, in the sense that the Daly banking business in Butte and Anaconda and at Great Falls naturally was favored in company business.

After Mr. Scallon secured an acceptance of his resignation of company offices, several months elapsed before the place was filled. Mr. Rogers desired Mr. Benjamin Thayer, an experienced mining engineer and mine manager, to accept the place. Mr. Thayer had secured much mining experience and a wide acquaintance in Montana, as well as a nearly universal popularity among all people with whom he came in contact. He had removed to New York City, but visited Butte and studied the situation thoroughly. He reached the conclusion that he did not want the task, or at least the duties of leading in the kind of warfare then in progress. The problem was solved by the appointment of Mr. Thayer to be assistant to President Rogers in New York, regularly to inspect and report upon the conditions of mines and works in Montana, while Mr. Ryan was made managing director in Montana with powers of command over political and fighting forces. At that time Mr. Ryan's knowledge of mining and the copper industry was about the same as that of any other intelligent man who had lived in mining camps and engaged in other business. His selection was regarded as a result, and another evidence, of Mr. Scallon's generous friendship and recommendation. Heinze's most dangerous power had been destroyed six months before when the legislature enacted a fair trial law enabling litigants to secure removal from his Silver Bow county judges, but Heinze's organization was yet strong and his powers for extensive mischief great, by reason of the number of his agents holding important city and county offices as well as because of his hold upon a large contingent of the wage earners.

The time was ripe, and the means abundant and fit, for operations under direction of a man like Ryan. As

a dignified banker, an habitual churchman, a representative of the Daly interests, a friend and protege of William Scallon, with exemplary personal habits and admirable attachment to home and family, Mr. Ryan enjoyed the esteem and confidence of reputable people. At the same time he had taken for his chief adviser and political manager, A. J. Campbell, who had earned and maintained a reputation as one of the most accomplished political tricksters and corruptionists in the history of the state which had developed so much notable and varied in corrupt form of enterprise. Mr. Ryan likewise had large faculty and effective facility for playing the role of everybody's friend. He established confidential relations and mutual interests with some of Heinze's most trusted agents, and during his first years of power enjoyed and utilized to the utmost the important advantage of a freedom from that restraint in generous promises born of sense of obligation to maintain the integrity of his word, a restraint which is strong in all honorable men and is characteristic enough of most other individuals to sustain the rule and claim that there is honor among thieves. Mr. Ryan sought and secured the credit for ending the war with Heinze and for establishing the interests which he represented with security against danger from similar attacks.

As heretofore written, Heinze was shorn of his power and practically whipped, with the enactment of a fair trial law prior to Mr. Scallon's retirement. Subsequent fighting between the forces was little more than showing of strength to insure favorable terms of settlement on either side. The plain truth of history is that the Ryan victories usually were purchased commodities rather than fruits of courage and skill and honest struggle. He was a compromiser, not a fighter; a rank

quitter and not a hero in realization or apprehension of punishment. The record of events in this volume will clearly reveal him to be somewhat deficient in physical as in moral courage. When he finally perfected terms of settlement with Heinze he paid him almost if not quite twice as much as would have been necessary to have secured the same result at a previous time. From an unquestionably qualified authority the statement has been made that in the early years of conflict Heinze respected and trusted the integrity of Mr. Scallon, while his agents and organs were sneering at or ridiculing it, and was ready to negotiate a compromise on such terms as Scallon would name; but at that time President Rogers, the genius and chief of the power of the Standard Oil interests, averse to submission to what he was pleased to regard as exaction of tribute, and angered by personal attacks upon himself, would consider nothing short of unconditional surrender from his adversary in Montana.

The settlement with Heinze was assisted at both ends of operations by the advancing price of copper and new opportunities for stock exploitation and inflation in the speculative market. In 1907 Mr. Ryan, still managing director of the Amalgamated in Montana, had associated with Thomas F. Cole, long affiliated with the steel trust, and the two had organized and floated successfully the stocks of various new copper companies, with properties from Butte to Mexico, with the support of their strong eastern connections, and aided by the power and influence and wealth of the great organizations with which they were connected and which was largely subject to their uses in these works of promotion. Mr. Ryan spent most of his time in New York. Within three years he had become rated as a multi-mil-

lionaire, acquired a residence on Fifth Avenue and, with his partner Cole, negotiated the purchase of the largest private yacht on the market, if not on the ocean. He spent the summer of 1907 in Europe, returned just before the panic struck Wall Street, signalized his return by an interview typical of his method, wherein he announced that conditions everywhere insured against a lower price than twenty-five cents per pound for copper, reached Butte about the time that the financial storm struck the stock-market with greatest severity, and a few days later went to bed with nervous prostration, convinced that he was a pauper, the glorious optimism of his successful days being replaced by utter hopelessness. Strong friends gave him new hope, skillful physicians gave him new life, and the marvelous climate of Southern California gave him new strength. The resources of the vast interests with which he had become connected were too great to be exhausted by one panic depreciation, and control of the real properties remained after the worthlessness of wild-cat holdings was revealed. Mr. Ryan was restored to health and activity in time to attend the funeral of Mr. Rogers and to succeed him as president of the Amalgamated Company. The power of this position and the restoration of security values from the panic point enabled him to recover wealth as well as prestige. The exploitation of theretofore neglected wealth resources of Montana was taken up, the scheme for a monopoly control of copper interests throughout the country was revived and revised; and this particular Napoleon was himself again, with the old confidence of the promoter, and better prepared than ever before to undertake conquest of the business world by the sacrifice of people.

Following the advancement of Mr. Ryan to the pres-

idency of the combine, the position of managing director in Montana lost much of its importance and power, and that official became something very nearly akin to political boss and lobbyist for the interests. The complex business and industrial operations of the complicated corporate system moved smoothly under direction of managers and superintendents and other officers expert in their respective lines. The president continued to be the guiding genius in the creation and over-capitalization and flotation of new companies, while the termination of the big wars relieved the field marshal of most responsibilities and duties. Mr. Ryan chose for his successor in Montana Mr. John G. Morony, who possessed talents as well as acquaintance and experience to qualify him for the work in which he was employed. Mr. Morony's career from a youthful period of his life had been closely connected with politics in Montana. From a clerkship in a county office he had advanced to another appointive position as examiner of state banks, and became associated with Ryan, shortly after the latter's arrival as a resident of the state, as cashier of the Daly estate bank at Great Falls, later advancing to the office of president of the Daly Bank in Butte. The two were intimate friends and throughout Ryan's operations in the state he utilized Morony's knowledge of men and affairs and his political abilities with much advantage to himself. Mr. Morony had a natural inclination as well as a practical training for the exercise of political power as a director. With the influence and means and organization of the combine in both parties subject to command he was able to secure astonishing results in legislation and administration, although dictatorial methods and sometimes erratic manners invited resentments and caused enmities which reinforced the

pernicious enterprises of the combine in arousing public distrust and hostility. But Mr. Morony served both the interests and himself with fidelity and efficiency, which enabled and prompted him to resign and retire from the field of active trouble in 1911 a reputed millionaire. To his skill and activities the combine is largely indebted for legislation granting it unlimited extension of powers in defiance of constitutional mandates, as well as for the election of republican legislators from democratic counties in vain endeavor to retain in the United States senate from Montana an adroit and servile representative of "Big Business".

The successor to Mr. Morony as field marshal or managing director was Mr. Cornelius F. Kelley, more popularly and very widely known in the state as "Con." Kelley. Mr. Kelly came of good Irish stock. He played as a child on the famous Butte hill when it was adorned with trees and vegetation instead of mine hoists and dumps and perfect blight of smelter fumes. He possessed the culture of a scholar, the instincts of a gentleman, the eloquence of a born orator, thorough training as a lawyer, political experience and knowledge derived from active part in all the conflicts and controversies, whether factional or corporate, since Montana became a state. He was a partisan for Daly, a friend and protege of Scallon, and earned by service his place as chief of the legal department of the corporate interests in Montana. He would like to be right, but he would rather be managing director of the great combine, notwithstanding a complete knowledge of its methods and purposes. He is politic and popular, with his enemies attributable chiefly if not wholly to his services for his employers. His appointment to be field marshal was the first public indication that Napoleon Ryan could see nothing left outside

of combine control in Montana worth grabbing, and realized the need of pacification of growing public hostility and a soothing influence on public sentiment to enable the predatory interests to retain their holdings and special privileges within the state.

## A Public Press To Suppress Publicity

The story of the press of Montana of early days is the story of the press in all the western states during pioneer times. Besides sharing the dangers common to all the early settlers, the editors in the mining camps endured hardships peculiar to starting newspapers and expressing honest opinions publicly when form of controversy was rude and perilous. During the succeeding years of feudal and political strife the press played an important and influential part. There were Daly and Clark organs, as well as party organs and class journals, edited by men with unwavering courage of convictions and possessed of exceptional ability for expressing them. In diffusing knowledge, forming wholesome public sentiment, and promoting the material development of the state, the late J. H. Mills and John B. Read, and the still surviving and active Samuel Gordon, W. K. Harber, R. N. Sutherlin and W. M. Boles have been notable examples of successful editors. The Anaconda Standard and The Butte Miner, original organs respectively of Daly and Clark, which grew to pretensions and features belonging to metropolitan newspapers, have employed many men distinguished for ability in all the branches of modern journalism. As the strife extended, financial interest of the principal participants in established newspapers was extended to include all of the daily publications in all of the principal cities and a large number of the weekly journals throughout the state. The fighting was fierce and the press broadside was second only to money as a favorite weapon of warfare. It was not until

the Wall Street combine had mastered its adversaries and entered upon its campaign for monopoly control of the state that the journalistic tree in Montana was trained to grow chestnuts and to shade instead of to illumine matters of public interest.

A public press chiefly maintained and wholly controlled by the combine interests to suppress publicity in Montana has been and continues to be the greatest and most direct influence in the corruption and perversion of government, the monopolization of resources and profits of industry, the political slavery and robbery of the people. Without this, all other influences would be abortive or temporary in effect. The policy, conduct, and success or failure, of fully ninety per cent. of the journals of Montana are determined and directed by the copper combine. In this as in other departments of operation perfection of organization and subtle method have brought economy and evasion of responsibility. In the first years of conflict the combine managers bought newspapers at exorbitant prices and operated them with extravagant loss. Hundreds of thousands of dollars of stockholders' money was expended in this item of war cost. Opposition organs existed in those times and the public was quickly informed respecting the misuse of its sources of information. The improved, and hence more generally approved, new policy comprehended a change of ownership of the properties, a combine ownership of the owners, a shifting of the cost of maintenance to the public, and a disguising of the mailed hand of the editorial boss with the velvety glove of patronage. What is generally designated as the commercialization of the press has been recognized and deplored in all sections of the country since the beginning of the trust era. In the campaign of 1908 Mr. W. R.

Hearst performed a great public service by securing and publishing the contents of a letter book of a director of the Standard Oil Company which showed how and why and at what expense that company subsidized well-known periodical publications. Not quite a year later, in "The Outlook", Mr. Theodore Roosevelt noted the fact that "During the last few years it had become lamentably evident that certain daily newspapers, certain periodicals, are owned or controlled by men of vast wealth in evil fashion, who desire to stifle or twist the honest expression of public opinion, and who find an instrument fit for their purpose in the guided and purchased mendacity of those who edit and write for such papers and periodicals." Since that time Collier's Weekly and other independent journals have exposed plans and actions of the American Woolen Company, or Wool Trust, and kindred organizations of big business, to shape or suppress editorial expression by timely award of generous advertising contracts. In no other state has the prostitution of the press been so complete as in Montana, for the simple reason that in no other state has this ownership of papers and editors, these distributions of subsidies, and the direction of both advertising and public patronage, all been under one management and parts of one combine organization.

The conduct of this business has been so thorough and painstaking that there are Montana newspapers, maintained by combine support and published in harmony with combine purpose and policy, in various communities, the editors of which are ignorant both of the influences which control them and the ends which they serve. Therefore it is not surprising that in many localities the public is kept in blissful ignorance of those things which it is desired by combine managers that

the public should not know. It is concisely exact to state that every daily paper published in Butte, Anaconda, Helena, Great Falls, Billings, and Missoula (with the single exception of The Missoulian, published by United States Senator Dixon), was subject in policy to the control and influence of copper combine management or agencies when the campaign opened in 1912. This list included every daily paper in the state having more than a purely local circulation, and did not include the local dailies subject to the same influence. Similar conditions obtain in the conduct of the majority of weekly papers. In those localities where the combine did not have mines, or smelters, or saw mills, or company stores, or public utility enterprises, with patronage to bestow, it had banking connections, attorneys, and political proteges, with power over merchants or command over city and county printing. Where all these resources failed, there remained the power of direction of the expenditure of large campaign funds, collected to great extent from combine coffers and agencies, and dispersed by campaign managers selected by combine bosses, with affable manners and accomodating disposition as well as abundant resources to negotiate loans for the relief of struggling publishers. The possibilities in this one branch of newspaper direction and the precarious position of the average publisher in a new state under combine control is indicated by the fact that in 1909 a carefully compiled list showed less than 120 newspaper publications in the state, while two years later no less than fifty of these had suspended publication or changed nominal ownership and control; this record being almost the only tribute to honest editors who "hewed to the line", letting the chattel mortgages fall where they might.

The record of newspaper jugglery in Montana of itself would make an unwieldy volume. Excepting in unimportant detail of management, manipulation and support, account of The Anaconda Standard, The Butte Miner, The Helena Independent, The Great Falls Tribune and The Missoula Sentinel (all professedly democratic), The Butte Intermountain, The Helena Record, The Great Falls Leader, The Billings Gazette (all professedly republican), would be little better than tiresome repetition. Each in its own particular field and way, but all harmoniously, have served the same combine interests in conflict with public interests. The establishment and conduct of The Montana Record of Helena, together with the career of its publisher, afford an interesting and most excellent example of Amalgamated Company enterprise and combine methods in journalism and politics.

The Montana Record was established at great expense by Amalgamated agents during the conflict with Clark and Heinze, to force a hostile independent organ to acceptable terms of purchase. It was maintained with tremendous losses till the end of the wars, ostensibly a republican party organ, and much of the time editorially under direction of the late Senator Carter, then a leader among Amalgamated forces and a beneficiary from Amalgamated support. When peace was declared, and after both Ryan and Morony had made public announcement of the company's policy of non-interference in political affairs, the plan was initiated for relieving the corporation of the responsibility of ownership as well as losses of the newspaper business. In investment of plant and losses of operations, The Record had cost its owners some hundreds of thousands of dollars. An option on the property for \$25,000 was given to political

trustees of the combine, with understanding that prominent republicans throughout the state should be enlisted as stockholders in the enterprise and the paper be made the recognized party organ for the state at the seat of government. Let the story be told as related under oath, in court at Helena, by Mr. F. J. Edwards, mayor of the city, while being examined as a witness with regard to his knowledge of or part in transactions in a bank of that city. Mayor Edwards testified as follows:

"It was in connection with the Record deal, the transfer of The Montana Daily Record, and the plan was to indicate to the people of the state that it was a transfer of the paper from the Amalgamated Copper company to an organization of republicans throughout this state. The purchase price was \$25,000, so understood between O. M. Lanstrum and A. J. Campbell, representing the Amalgamated Copper Company. They realized that they couldn't sell that amount of stock, and the plan was to sell as much stock as they could and thereafter the Amalgamated would add the difference in order to make up the \$25,000 and check it through, and make it appear that it was a bona fide transfer of the paper.

"Shoemaker was detailed to make the state and interview republicans and represent to them that the sale was to be bona fide and the paper afterwards to be owned by the republican party and no strings upon it. They sold about \$5,000 worth of stock, subscribers to the stock signing a little slip, which I afterwards saw, and to which drafts were subsequently attached and made through the Union bank upon the subscribers, that is, drafts along with the subscriptions. They raised about \$5,000. Thereafter Lanstrum and Shoemaker made a trip to Butte and brought back \$20,000, repre-

senting that they got the money through a check drawn by Campbell upon one of the banks there. Then they wanted to know how to get the money through the bank. \* \* \* A number of fellows in Helena were requested to subscribe for the stock, and the stock was subsequently issued to them and then they signed it or transferred it or signed it in blank, and the money went through the bank as coming from them. In other instances money was advanced to different fellows, who drew checks upon their banks for the stock, and they also signed. I think they got about \$8,000 or \$9,000. At any rate, there was about \$10,000, \$11,000, or \$12,000 that they did not have any way of getting through the bank, and I made a suggestion, which met with Lanstrum's approval. He handed me the difference, the money, and I went over to the National Bank of Montana and bought a demand piece of paper, whatever it was.

"Cashier's check," suggested Mr. Hepner.

"I have forgotten just what it was," replied Mayor Edwards, "but it may have been a certificate of deposit, and passed it back to Lanstrum, and it went through the bank in that way. That was the time of the transfer of *The Record* about four or five years ago."

Is anything in ludicrous situation the equal of this to be found in the world's production of comic opera or farce comedy? Here was a newspaper establishment which in half a dozen years had cost something like one quarter million dollars. Here were the Napoleons of high finance operating through a corporation with capital of \$155,000,000. They were going out of politics and out of the newspaper business in Montana as an evidence of good faith in honest public sentiment. To accomplish this benevolent purpose they employed two of the most consummate political crooks in the combine

service in a bald confidence game to bunco leading and loyal republican partisans of the state out of a paltry \$5,000 with the false pretense that they were to secure an independent, honest party paper, the mere mechanical equipment of which had cost many times the price asked. At the same time the combine corruptionists through fake transactions furnished four-fifths of the purchase price and retained complete control of the policy and conduct of the organ, as was shown by subsequent events. The newspaper company was reorganized with ostentatious display of distinguished and influential officers and stockholders, prominent in party as in public affairs. Mr. Justice Holloway of the state supreme court was advertised as a director and the president of the company. Mr. Chief Justice Brantly, the other republican member of the same court, was named as another director. Mr. H. R. Cunningham, then state auditor, was advertised likewise and as business manager. The buncoed stockholders who contributed the \$5,000, more or less, included scores of party leaders and prominent citizens in almost all counties within the state. An incident of this high finance comedy performance made manifest a nice sense of the proprieties in the audience. A public sentiment which had tolerated control of party organs and judges alike by a foreign combine engaged in corrupting government repelled as abhorrent the thought that judges of a high court should consent to accept official place and part in the management of a party newspaper. There was criticism, and the honorable judges early and quietly severed their official connection with the organ. Not the least instructive and one of the most amusing parts of this combine play for public approval and private gain was presented in the salutatory from the new management to the peo-

ple, printed November 3, 1905, in type of poster size, double column breadth of measurement, on the editorial page of The Montana Record, which is here presented in its entirety:

“A FEW WORDS OF GREETING”

“The Record, as announced last evening, has changed ownership. The new owners are Republicans. There is no blemish on their party fealty.

“It is advisable at this time to announce the policy of the paper from this date and the course it will pursue.

“In the first place, The Record will be strictly Republican in politics. It will cater to no faction, individual, corporation or special interest. All Republicans will be treated with justice and impartiality in its columns. No individual nor faction will be lauded or exalted above another. They will all be judged on their merits.

“This paper is a firm believer in the wisdom, justice and worth of President Roosevelt, and it will support the policies now advocated by him. In this declaration special emphasis is laid upon his proposed railroad rate legislation, his policy of a ‘square deal’ for all, however humble or exalted, his principle of requiring honesty and efficiency from all those in public office, restraint of corporate abuses and his demand for civic righteousness.

“The Record rejoices that the great industrial corporations of this state are prosperous and is glad of their presence in Montana. It will extend a welcome to all capital that shall come to this state for investment and for the development of the exhaustless resources of this commonwealth. All such shall have encouragement, justice and fair treatment by this paper.

“To the railroads and great mining corporations of this state The Record will accord impartial treatment.

As industrial institutions they are welcome; but as politicians, or as seeking to unduly influence or control politics or legislation, they are pernicious. Any corporation seeking to corruptly influence politics or legislation will be unsparingly exposed, denounced and condemned.

"This paper believes in equal and just taxation to all residents and those doing business within the confines of Montana. The great railroads and wealthy mining corporations should pay their full and just share of taxes to support government and governmental functions. No individual or combination of individuals is too humble or too exalted to escape his just share of public burdens.

"Labor makes the state and is honorable above all things. The laborer is worthy of his hire—whether a toiler of brawn or brain—and merits just and considerate treatment. The Record will endeavor at all times to be just and impartial to both labor and capital.

"This paper believes that a "public office is a public trust," and shall require efficiency and honesty from all public servants. It will not hesitate to criticise and denounce all recreant and delinquent officials, regardless of politics or the political affiliations of the offenders.

"This paper will relentlessly denounce and chastise political debauchery, bribery and rascality, and will mercilessly excoriate as criminals all those who seek to corrupt or contaminate the ballot-box, the electorate, or those chosen to office.

"The Record believes in good government, civic righteousness and public progress and improvement. It will strive at all times to uphold the best interests of the state, the county and the city. It believes that Montana is destined to be one of the chief commonwealths of the

nation, and that her worth and glory in the future depend to a large extent upon her present integrity, merit and character.

"The trustees chosen yesterday by the stockholders of The Montana Record Publishing Company are men of worth, character and responsibility. They are well and favorably known throughout the state, and their names are a guaranty of their Republican standing and their fairness as citizens and men. Our subscribers and stockholders may rest assured that all shall receive a fair and square deal at the hands of The Record.

"This paper will publish the news and all the news of interest to the public. It does not believe in suppressing news that the public is entitled to know, simply because special interests may be offended thereby. A newspaper should be a public servant, amenable to public demands and requirements. Colored or garbled news is false news and an abomination in the sight of the Lord.

"Promises are easily made and assurances are readily given but this paper hopes to prove the sincerity and integrity of its purposes by its acts instead of by way of prospectus."

The identity of the author of this fine and comprehensive declaration of right principles and righteous purpose, and literal interpretation of the duties and responsibilities of honest journalism, thus far has been lost to history. It might have been written with equal enthusiasm by one of the buncoed and betrayed partisans or by one of the combine's confidence operators. For a short time republicans independent of corporation control were permitted to have part in editing or contributing to the columns of The Record, and the paper exalted its exceptional freedom from corrupt restraint

to such an extreme that it became the subject of both resentment and ridicule in other combine organs, the characters of which were thus indirectly impugned. During this time Amalgamated interests by circuitous routes continued to provide for the financial deficits of the newspaper enterprise, and after a comparatively short interval Oscar M. Lanstrum became managing editor and the paper became under his direction and control a mere auxiliary to party bosses, combine interests, corruption of government and robbery of the people.

Within the succeeding half-dozen years every one of the distinct pledges made by *The Record* to its readers was flagrantly and shamelessly violated. Its location at the state capital and its position as the leading party organ in the state gave the paper some power and usefulness in advancement of combine design, while giving to its unscrupulous manager opportunities for self-aggrandizement and ill-gotten wealth which could not have been hoped for through his individual abilities or influences. The powers of the organ and the combine, working harmoniously, as they did, changed an obscure country doctor in an almost abandoned mining camp into a man of wealth and a party boss with jurisdiction over the entire state. It transformed a professed village reformer and local political insurgent into a stand-pat statesman and leading lobbyist for a great corporate combine within a period of ten years—all by the powers of graft. But *The Metamorphosis* of "Doc." is subject for a history of itself. He deserves the attention given here only as a type of the tool employed by big business in disrupting honest government and in destroying competition. There is nothing original or new about it excepting the use to which it is applied, and even that is

not wholly without precedent. Almost a hundred years ago in England a nearly perfect description of this type was furnished by Mr. William Hone in exposing the iniquities of the times where he wrote what follows about another creature who combined small talents in journalism with large appetite for public place and pelf:

"When Slop parted with his integrity, he lost his self-respect. Attacking the honesty he secretly envies, and has not the courage to imitate, he has nothing to compensate him for a comfortless mind but an empty consequence among fools and knaves, which yields no repose. His appearance in *The Slop-Pail* is ludicrous. Affecting a semblance to which he has no real pretension, he looks like a nightman in a cocked hat, who pulls up his frill at every discharge of muck, to show his gentility. His case is a common one. He rose from the bottom of society by foul self-inflation, and floats a filthy bubble among the scum upon the surface. A minion of ministers, a parasite to despotism throughout the world, public virtue is the object of his unprincipled hate and unsparing abuse. Hence, there is not a 'public principle' that his mendacity has not 'perverted'; not a man of disinterested public conduct that he has not vilified; not a measure of advantage to the country, emanating from such men, that he has not derided; not a measure of ministerial profligacy that he has not promoted; not a public job that he has not bolstered; not a public knave that he has not shielded; not an inroad upon the constitution that he has not widened; not a treason against the people's liberties that he has not advocated; not a sore upon the people's hearts that he has not enlarged."

Within three years after the new Record gave its pious greeting of christian endeavor to its readers, the

deficits of its business were being reduced by printing or publishing contracts with the state of Montana, with the county of Lewis and Clark, and with the city of Helena, made profitable by collusion with dishonest public officials and with needy competitors; and in the performance of some parts of these contracts The Record company or plant had no other work than a sharing of the swag. Within five years Lobbyist Lanstrum had become president of the State Press Association, had reorganized the society with combine rules and purpose, enlisted it in a campaign to secure legislation to enlarge, legalize and perpetuate the plundering of state, county and corporation treasuries through printing or publishing jobs, and had employed as legal adviser to the executive committee in framing proposed laws, for the purpose named, the same attorney general of the state, Albert J. Galen, who two years before had been anathema to The Montana Record and who had complained that he could secure no fair treatment by the press of the state for the given reason that in his official capacity he had earnestly, though vainly, endeavored to defeat the award of the state contract for printing whereby the state had been deprived of competition and swindled. An association label was designed, available only to members, and it was proposed, as a means of persuasion to hesitant or dissenting gentlemen of the craft to come into camp, that after a given date newspapers not carrying the label should be deprived of exchange privilege with all papers wearing it. The execution of this tragic penalty was postponed in respect to the indignant refusal of a few self-respecting members of the profession to become parties to the agreement, and the enactment of the prepared legislative bills into law was deferred in recognition of certain exposures of

the scheme and opposition by a few legislators free from combine direction or command. Place at the head of the association and the acquaintance which it gave doubtless assisted Mr. Lanstrum in his capacity as chairman of the Republican State Central committee, or as political boss and lobbyist, to secure influence over many editorial columns through prudent expenditure of campaign funds derived from combine sources.

What happened to and with The Helena Record was repeated, with variations to fit the situation, in other places where the Amalgamated Company or its allied interests owned or controlled publications, in the pursuit of its proclaimed policy to retire from politics and the newspaper business in the state. It increased instead of releasing its hold upon the press, and acquired control in communities where the press had been free; for instance, at Billings where both daily papers had been owned by Mr. P. B. Moss. Mr. Moss had been a successful banker and a promoter of every enterprise calculated to enlarge or improve the city. His generosity in support of various institutions led him to extend credits far enough to afford an excuse to other bankers, who had endeavored to secure control of his properties, as well as to politicians and officials, of high rank and great influence, for conduct which at least supported a national bank examiner in an abrupt closing of the Moss bank and a forced liquidation of his securities on a stagnant market. The stock of his publishing company was among the collaterals involved. The newspapers were making money, and the properties were valuable as legitimate business enterprises. The combine had acquired public utilities in the town, and while the local papers had not assailed the combine or its interests directly they were hostile to the local political influences

allied with combine political bosses. Through trickery, participated in by officers of the court and agents of bankers and politicians hostile to Mr. Moss, an order was obtained from court for the sale of these properties privately at a sum ridiculously small in contrast with their true value. By prompt proceeding, after protracted litigation, this order was nullified by both district and supreme court, and other proceedings for sale ordered. The final outcome is unknown to the writer, but the patrons of the Billings Gazette during the pre-convention contest of the year 1912 were treated to the anomalous policy of a public journal carrying the name of Robert M. LaFollette as a presidential candidate at the head of its editorial columns while these were filled with inane palaver about custom and value in support of party regularity and the folly or inevitable failure of independent political action.

The extreme extent of power of the copper combine over the press of the state may be better understood by consideration of the fact that its control of the leading daily papers gives it almost complete control over the news associations of the country so far as Montana is concerned, not only with respect to what news shall be printed or suppressed in Montana, but also as to what news from or about Montana shall be given to the country at large, as every Associated press agent in the state is an employee of some daily paper within the state. Moreover, the weekly papers not directly subject to the influence, as well as merely local dailies, are compelled to rely very largely upon the larger dailies for their news supply. An excellent illustration of the effect of this control was furnished in 1908. At the republican state convention held at Helena that year some representative of organized labor or friend of humanity secured the insertion in the platform of this plank:

"We favor more adequate protection for the health and lives of the miners of the state against inhuman economies or corporate negligence and greed, and pledge the republican party in support of such practical and reasonable legislation as will insure sanitary conditions, and safeguard against accidental death and injury in the mines of Montana."

That platform was sent out from Helena complete. That plank was omitted from the platform as published by The Anaconda Standard, The Butte Intermountain, and other papers immediately subject to combine direction. In consequence it was omitted from the platform in nearly all of the papers of the state, the editors of which, as usual, took their convention news from the big dailies. The Butte Miner, Mr. W. A. Clark's paper, furnished the exception which proved that rule.

The most conclusive proof of Amalgamated Company control of the press of the state, and direct evidence of the tremendous value to the combine in its ability to suppress publicity of information about public affairs, was furnished during the legislative session of 1909. At that time it secured the enactment of a law which practically removed all limitations and restraints from the powers of corporations in Montana. The measure was sneaked into the legislature in disguise, and advanced as a purely local enterprise designed to enable a land and townsite company in Great Falls to build a hotel. The character of the bill was discovered and exposed on the legislative floors and by a few weekly journals. The combine press simply ignored both the purpose and the importance of the pending bill. The daily papers in Helena, in Butte and Anaconda, and Missoula, and Billings, did not explain, nor oppose, nor defend, the legislation either

before or after its passage. The Great Falls Tribune, at that time least tainted in public opinion with Amalgamated corruption, was permitted and induced to make editorial declaration in substance that the measure appeared to be harmless and that its probable effect had been exaggerated. The character and uses of this act and the way in which it became a law are described at length elsewhere in this volume, but the treatment of the press by the combine in relation to it is most pertinent here. The policy pursued by The Tribune was significant of the variety of influences exerted in control of the press as well as of those exercised in protection of combine agents. This measure had been introduced by a member from Great Falls after sponsorship had been refused by others. Cascade county, in which Great Falls is located, had been not only quite evenly divided as between parties, but public sentiment was divided as between public and combine interests. Exposure of the character of the measure made home support of it desirable, if not necessary, to secure legislative support from that as well as other surrounding counties most largely devoted to agriculture and stock growing. The Great Falls Tribune had been established by W. M. Boles many years before. He was possessed of personal integrity, good ideals, and much ability as an editor. During the feudal war he had sold his paper to the Clark interests at a large price and established a weekly paper at Bozeman in the rich agricultural Gallatin valley, where he was free from a conspicuous part in the strife. After peace was declared and millionaires grew weary of the luxury of newspaper deficits, Mr. Boles was induced to resume ownership and conduct of The Tribune, practically as a gift, or better. He had made The Tribune the nearest approach to a legitimate daily newspaper.

enterprise in the state, and the rapid development of the surrounding country and growth of population had given it a wide circulation and extensive influence. During the same time the combine had increased its holdings and control of business in the city of Great Falls, and was in position to give or deprive The Tribune of much valuable patronage. It is incredible that a man of Mr. Boles' talents could have been misled as to the character of the legislation mentioned, and it is quite possible that his service in defending it was obtained through no worse argument than consideration of friendly relations and liberal patrons.

These interests, which direct the conduct of the public press for public loss, reinforce their promotion of prosperity for those who serve them, with prompt and unfailing aid to adversity for newspapers which place public interests first in policy. It is not alone the loss of combine support which menaces an independent press in Montana. Any journal which opposes illegitimate combine enterprises with plain truth and argument in legitimate public service is made the victim of conspiracy and boycott, more perfectly organized and more powerfully exercised and practiced than in some cases where representatives of labor organizations for kindred offenses have been adjudged criminals and punished by the courts. The combine bosses have their agents and employees in organizations of business and professional men in various cities of the state, and direct these influences as they do others to punish their opponents as well as to reward their servants. By these methods independent journalism is stifled in small communities as certainly as competition is made impossible with the daily newspapers in the more populous centers where combine power is concentrated.

"Where ignorance is bliss 'tis folly to be wise". Workmen employed in the newspaper business in Montana early become persuaded that "things are seldom what they seem", and teach their readers as well as themselves the comforts of life founded in the Dr. Pangloss philosophy that everything is for the best, reasoning, perhaps, with the acute intelligence of the artist who reconciled himself with a belief that color blindness was not an insuperable obstacle to success in his profession, by profound reflection upon the simple fact that the blackberry is always red when it is green.

## Subjugation Of Wage-Earners

While the copper wars were in progress in Montana, the wage-earners of the state were objects of the most distinguished consideration and regard from Napoleons of finance and captains of industry. The workmen had political power as well as power of brawn and muscle. Not infrequently it was a pertinent if a delicate question which power the employers were trying to secure with maximum wage scales and liberal concessions to sons of toil. Labor organizers took advantage of conditions and obtained powers and privileges, for their organizations and themselves, seldom if ever equalled with so great extent of effectiveness in any other state. Butte was commonly and accurately designated as "the strongest union town" on earth, with proportionately similar power of organized labor manifest in all industrial centers of the state. There was a union organization for every occupation and no possible occupation in Butte for any man who did not belong to some union. Two chimney sweeps of the town had a labor organization all their own, fixed their scale of prices and enforced penalties of unfairness against any employer who rebelled or rejected. There is authentic report of proceeding at a meeting of the "Workingman's Union"—an organization to include unclassified or otherwise unaffiliated wage-earners—at which the grave-digger in a local cemetery reported his inability to secure certain demanded concessions from his employer, whereupon it was duly and solemnly moved by another member that a boycott against the cemetery be declared by organized

labor. In some of the skilled trades initiation or affiliation fees were adopted prohibitive against newcomers, and the benefits of monopoly power exacted to the utmost degree. In one of the local campaigns a commercial traveler at a leading hotel combatted the arguments being advanced by a strong-voiced political agent of one of the interests. "Who's paying you for talking?" demanded the orator. "Nobody!" asserted the indignant salesman. "Then you're scabbing the job!" concluded the professional, and the visitor was left without either antagonist or audience.

The backbone of organized labor in Montana, the effective power behind all union movements or demands when exerted, was the Butte Miners' Union. It was organized with less than one hundred members about the year 1880, as much in the interest of mine owners as employees, to establish uniformity in work and wages. In its most palmy days, during the first half-dozen years of the present century, it had an accredited membership of approximately 10,000. From the day of its organization to this year 1912 it never engaged in a strike nor became involved in serious disagreement with employers through action of its own. For more than a quarter century the wage scale of the Butte Miners' Union remained practically without change as originally fixed, although many betterments were secured in working conditions and finally in the establishment of an eight-hour day, the mines being operated day and night, 365 days in the year. This union has been imposed upon at times by other labor organizations, by labor leaders, by some of its own officers, and by its employers, but in every great emergency, where an important question was submitted to a vote of the union as a whole, the majority has been on the side of conservative, intelligent, fair-minded judg-

ment, and with far-sighted regard for permanent interests of the many; with the possible exception of one or two instances within quite recent years and since the character of its membership has suffered a radical change for the worse through the perfidious policy of the chief employing interest, the Amalgamated Copper Company.

When it is remembered how much of temptation to sale or abuse of power for both members and leaders was inevitable in connection with the great struggles for supremacy, both in politics and industry, it may be better realized with what strength of devotion to principle the average member of the organization was controlled, and it may be more easily appreciated why a resolution of sympathy adopted by this union usually was more effective in securing results than a strike ordered by any other labor organization. Almost the only abuse of power by this union was in its use, through its support of all organized labor, in assisting ill-advised enterprises and supporting unreasonable demands from other organizations not connected with it in any way more closely than by its loyalty to the common cause of all wage-earners.

During the period of strife between the corporations the demands and requirements imposed by minor labor organizations, and enforced by the union labor sentiment, had become impossible or intolerable to very many lines of business and enterprise. This fact was used by the copper combine managers and agencies as the wedge with which to divide the labor forces preliminary to the subjugation of all wage-earners to the corporate monopoly control of the state. Business stagnation following the stock-gamblers' panic of 1907 furnished the opportunity. Building operations became a negligible factor in the labor problem because there

were no new building operations, and workmen in the building trades, who had furnished many of the just causes for complaint against union labor, were compelled to seek other fields or other employment. In 1907 the Amalgamated Copper Company had secured a contract with the Butte Miners' Union, and affiliated labor organizations in the operation of mines and smelters, to cover a period of five years, the miners to be allowed an advance of fifty cents per day in wages whenever the price of copper should for a given time be maintained at or above eighteen cents per pound. Mr. John D. Ryan, the managing director at the time, made public pronouncement of the great benefit this would be to Butte in assurance of uninterrupted operations and to the miners through insuring them steady employment. Later on, when the Western Federation of Miners, with which the Butte Miners' Union was affiliated, adopted and sought to enforce a policy against wage contract between unions and employers, the Butte Miners' Union voted to fulfill its contract with the mining companies in defiance of the laws and orders of the central organization. When in 1907, following wild-cat speculation, over-capitalization, and over-production of copper stimulated by inflated values, the price of copper slumped to twelve cents or less per pound, the Amalgamated Copper Company ignored its contract obligations with the Butte Miners' Union, repudiated the assurances of steady employment, and threw thousands of its faithful workmen into idleness and want. It is a part of the record to be found in the files of its organs that death from starvation accompanied inability to find work in Anaconda during that season of distress. The resumption of operations was tardy and slow. The policy was adopted, with new and harsh rules, for workmen whereby many found em-

ployment for little more than half time, so that there was great difficulty for men with families to save money enough to leave the camp, and a constant surplus of labor at the same time was kept in the camp. The daily wage scale was not reduced but the month's pay check was, frequently from thirty to forty per cent. The Napoleons of finance permitted, if they did not instruct, their phonographic representatives in publicity work to peddle the pretense that this policy was born of the charitable purpose to employ as many as possible of the needy men. Contemporaneous with this there came an influx of ignorant, impoverished, unskilled men from southern Europe, who found employment in the Butte mines by the exclusion of miners whose little homes and large families frequently were the only fruits of almost a lifetime of faithful service in the hard and extra-hazardous employment. This marked the beginning of what came to be known as the "bohunk" era in Butte.

In its issue of July 24, 1910, The Butte Evening News devoted more than a full newspaper page to "The Story of the Butte Bohunk." From that story the following paragraphs are taken, descriptive of the new citizen, the manner of his coming, the method of his employment, his standard of living, and his influence upon the community and upon the business of the town:

"Butte, thrice cursed after its years of pride and prosperity, writhes under maladies which only the white light of publicity will help.

"Not one of these conditions will be improved as long as they go unnoticed. The News alone will tell of them. It has told of the short pay check, with the curse of curtailment. It has looked a calamitous situation squarely in the face and is going to tell the truth.

"This story tells of the bohunks, three thousand strong, who are driving the white man slowly but surely

out of the camp. Many never saw a bohunk; they only know that the breadwinner is out of a job and some mysterious form of foreigner has taken his job.

\* \* \* \* \*

"The newspaper which by direct or indirect means attempts to defend or justify the condition of affairs which is cursing Butte is criminal in its attempted deception.

"At the word 'bohunk' every other paper in this city but the News cries 'hush'. The alarming feature of the bohunk problem is that every other paper seems to be willing to see Butte turned into a cheap foreign settlement even as Dublin Gulch has already become 'bohunk valley'.

"There are 3,000 bohunk miners in Butte today. Of these 2,175 are working and the balance are being supported by their brothers and are ready to slip into every job where a white man is laid off.

"There are hundreds more en route from Europe ready to come to Butte and live on their friends until they can edge into the mines.

\* \* \* \* \*

"The bohunk miner is the low-grade foreigner who buys his job from the foreman and pays him for keeping it; who lives in a cabin; who never adapts himself to American life any more than does the Chinaman.

\* \* \* \* \*

"Gambling, white slavery, prizefighting, licensed prostitution, horse-racing, and every ill, alleged or otherwise, that one can conjure up palls into insignificance before this black peril which has Butte by the throat and is dragging it down to the level of a grading camp.

"That these black men from across the water are buying their jobs is a secret so open that he who runs

may read; yet the operations of this accursed peonage are guarded with all the secrecy of the black hand and in the end are just as fatal.

"These men buy their jobs for cash; they buy their jobs because they board in certain places; because in some instances they buy groceries in certain places; they buy their jobs by renting rooms of people related to the men who employ them; they buy their jobs by paying a rental for cabins far in excess of their worth, content to give up these various tolls to hold their jobs.

\* \* \* \* \*

"Walk into the gulch today and you will see what a bohunk is and how he lives. Six of them live in one cabin, not a stone's throw from the Anaconda mine, and each one of them is paying a rent of \$10 a month. One could rent a luxurious mansion for \$60.

"Imagine what \$60 a month for one cabin means to the owner, especially if he has a group of them. He can cut it in two with the foreman and still get rich in a short time.

\* \* \* \* \*

"Another story is that eight bohunks occupied one cabin, each paying \$10 a month. The room was owned by a foreman who drew down \$80 for a room that would ordinarily rent for about \$10.

"In some places the peonage has been pretty open and above board. Two bohunks were each paying \$20 a month for a room in which they were sleeping. This brought \$40 for a room worth about one-fourth the price. One morning one of the pair notified his landlord that he had secured a cabin in Walkerville for five dollars a month and purposed to live there. When he got over to the mine he was promptly bawled out by the foreman,

who told him his time was in and to go to hell and work in Walkerville.

\* \* \* \* \*

"The buying of jobs has continued. These foreigners who have walked into the Butte mines and who have taken away jobs from under the very noses of the white men employed in Butte are no part of the community interest in this camp. The foremen who put them to work have no use for them; they cannot carry on a conversation with the other miners of the camp; they do not associate with other miners; they herd like cattle in the cabins of the gulch and other parts of the town.

"The bohunk colony proper lies in that portion of the city known as 'Cork-town' and 'Dublin Gulch'. North Wyoming street, from Copper street north to the B. A. & P. tracks is a regular bohunk hot-bed. Every available house, cabin or shack that can be procured is rented by this element, and between shifts in the mines they are herded like cattle both night and day.

"Some of the houses have four or five rooms and house as many as thirty of these black men. The shacks and cabins give shelter to from five to fifteen of them. Their methods of living would not appeal to one who has lived amid American surroundings.

\* \* \* \* \*

"How they sleep is no mystery. The ones on the night shift occupy the same bed that the day shift uses and the bedding never has a chance to get cold. The others curl themselves up in a dirty blanket on the floor and feel as refreshed when the alarm goes off as if their cot was of feathers.

"Another shack has 18 bohunks and for filth it is a marvel. Suspended from the ceiling of the kitchen are several pieces of dried meat. On the claret-soaked table

is a dirty deck of cards, while around the table a number of them engage in some game that is popular in their native land. The walls are smoked and grease-stained and the smell of filth is frightful. The very air reeks with the sickening odors of foreign tobacco, and through it all one of their number is kept busy keeping a roaring fire under a coal-oil can with the top cut out and which is used to boil soup in.

\* \* \* \* \*

"At another house, where over fifteen of them lived, one of their number lay in bed with consumption. Day after day he lingered, with no hopes of ever rising again, and yet the other bohunks gave little heed to their brother in misfortune, and while each day brought him nearer to the grave, they let him die without the care of a doctor or a nurse and even shared the same bed and the same room with the patient.

\* \* \* \* \*

"Since the bohunk influx to Butte began it has never ceased. Day after day, and night after night, as the trains pull into Butte, the bohunks step off at the station. Once landed they are met by one or two old-time bohunks, who immediately take them on a long hike to 'Cork-town' or the 'Gulch'. Carrying their luggage, blankets and belongings with them, they make a spectacular procession up through Utah avenue.

"As they step off the train there is no hack driver asking them to have a cab; no baggage man asks for their luggage; and the conductor on the street car beats no jangle on the foot bell to give them warning that the car is about to start for town.

"They know it is but a waste of time and words.

"Every train that dumps these foreigners off as it pulls in takes just as many old-timers aboard as it pulls out.

"Up the gulch 'mother and the kids' watch daily for the postman to see if father has found employment in some place where a white man can live and earn his living. Up the gulch, boys who were born and raised there, are kissing their gray-haired mothers good-bye and are leaving for pastures new.

"In an effort to ascertain the effect of the bohunk invasion on the business of Butte a poll was taken of the various business men in Butte. The grocer shrugged his shoulders and said, 'We do not get any of his business; there's a bohunk grocery. The bakers say the bohunks do not eat white bread and have their own bakery; the butchers say the bohunks eat dried sausage and dried meats; the fuel dealers say the bohunk steals coal and rustles ties for his fuel; the clothier says one suit of clothes lasts a lifetime; the bohunks are not fancy dressers.

"There are bohunk saloons and tobacco stores where the invaders buy their drinks and smoking tobacco. Doctors and druggists get little or no patronage from these people. For light in their dingy cabins, candles stolen from the mines are used. These people shave themselves and cut each other's hair. They rarely ride on street cars; they attend no theaters except perhaps in a wild splurge of extravagance they go to a moving picture show. It will readily be seen that there is not a commercial interest in Butte that profits by this invasion of this class of foreigners."

Such was the class of inhabitants and character of workmen which the Amalgamated Company not only permitted but encouraged to supplant the long-time citizens and experienced miners of Butte in its employment. Under contract relations no workman could be employed in the Butte mines without a working card from the

miners' union. The fair and liberal policy of that organization caused it to admit to membership all workmen seeking employment in the mines. Within a short period of time nearly one-half of the working force in Amalgamated mines, during a period of reduced production and partial operation, was made up of this imported "pauper labor", and almost as large a part of the then active membership of the Butte Miners' Union was composed of these people. Of course a self-respecting and fellow-respecting shift boss without corrupt incentive would not thus have enchanged experienced miners and fellow countrymen for ignorant novices in mining, who could not even understand the orders of the boss without an interpreter; but, also of course, the shift bosses could not have trafficked in the toil of others in this fashion without the approval of superintendents and managers and managing directors and president of the corporation. They were most excellent instruments for weakening organized labor, and at the same time men whose standard of living was low enough to make lower wages attractive to them, where such reduction would be impossible under the American standard of living without lessening the profits of all the combines making or handling the necessities of life. In its extensive lumber department, and in other occupations in the state, the combine influences had assisted in reducing earnings of workmen as well as the power of labor organizations. There had been repeated instances, too, indicating a purpose to change political conditions by leaving without employment workmen with intelligence and independence enough to vote without instructions. Any one of these purposes might have furnished cause of action taken by the combine under the Ryan policy of administration. There was still another incentive for Mr.

Ryan's antipathy to much of the membership of the Butte Miners' Union, easily controlling in a vain and selfish mind.

In the latter part of the year 1909, the Great Northern Railway Company in Montana had a strike by switchmen to contend with. The ores in the mines of Butte formerly owned by the Boston and Montana Company were shipped to Great Falls smelters over the Great Northern Railway for reduction. The service of the railway, almost never good through niggardly policy of management, was interrupted in the moving of freight trains by this strike, and further hampered towards the close of the year by extreme cold weather and storms. All other ores of Amalgamated properties and allied interests in Butte were taken to Anaconda, in an opposite direction, over a railway owned and operated by the copper combine and unaffected by the switchmen's strike. Owing to the inability of the Great Northern Railway Company to handle the ore traffic at Great Falls, the smelters in that city were closed and the work of production was suspended in the Butte mines which supplied them with ore. This condition had existed for several weeks. Efforts had been made at Great Falls and in Butte by business men, co-operating with the railway people, to relieve the situation by employing miners and smeltermen as substitutes for striking switchmen. The Butte Miners' Union, when the subject was taken to them for consideration, adopted resolutions of sympathy with the strikers. A conference committee, composed of representatives of the mill and smeltermen's unions and of the Butte Miners' Union, met in Butte to consider the situation and a subcommittee had an interview with Mr. Ryan who recently had arrived from New York on one of his brief visits to Montana. On the day that this inter-

view was held The Butte Intermountain, avowed organ of the copper company, published what purported to give an account of the proceedings. Members of the conference committee issued a statement denying the accuracy of such report. As a result of these conferences a form of resolution was drafted for presentation to the several unions interested, to be by them submitted to referendum vote. The smeltermen's union at Great Falls adopted the resolution. On January 1 the miners' union held a special meeting and adjourned after refusing to take the action suggested in behalf of the corporate interests. The next day it was announced that order had been issued to close all the mines of the Amalgamated Company that afternoon, with published assertion that the suspension would be for a period of at least six months, but that this order had been temporarily withdrawn at the request of Great Falls smeltermen. That afternoon Mr. Ryan published an official statement confirming the report of a determination to close down, and a supplementary assurance that the putting of the decision into effect was withheld for a few days to give the Great Falls smeltermen sufficient time to exhaust their resources towards resumption of traffic in the Great Falls yards on the Great Northern Railway, and the positive threat that "the mines now in operation will continue so only for a sufficient time to comply with the request of the Great Falls Mill and Smeltermen's Union." The time and conditions were most opportune to lend force to the threat of use of the combine's favorite argument of shut-down, with menace of privation and want for thousands of men and for those dependent upon them. Neither business men nor wage-earners had recovered from severe losses incident to the panic times and partial suspension of mining operations. The price of copper was

low and the combine was working for better rates by curtailment of product. There was a surplus of labor, and intense cold weather prevailed. In this situation Mr. Ryan issued his ultimatum that members of the Butte Miners' Union must assist as strike-breakers for a railway company in a town hundreds of miles away or themselves be shut out of employment without resources in mid-winter. After the publication of the Ryan threat, a special meeting of the Butte Miners' Union was called to be held the next night. The Butte and Anaconda newspapers, subject to Ryan's direction, carried appeals to the miners for action rescinding their previous proceedings, with intimations designed to influence men acting from selfish motives, and urging a full attendance at the meeting. There was a full attendance. The meeting had to be adjourned from the Union Hall to the city auditorium, where it was conservatively estimated that more than 5,000 members gathered for secret session. The discussion lasted two hours and it dealt directly with union principles and combine threats. By a vote practically unanimous, the union decided against a vote on the discredited report of the conference committee and stood by the previous action of the union. Mr. John D. Ryan left Butte before daylight, and Montana as quickly as a fast train could carry him. The Butte papers next morning carried the news that resumption of operations at the Great Falls smelter had been ordered, that switching would be done by officials of the railway company, and that resumption in the Boston and Montana mines in Butte would be had as soon as warranted by demand for more ore at Great Falls. If there ever was better reason for the threat to suspend operations at Butte and Anaconda than that involved in the fact that the price of copper was very low and that Mr. Ryan be-

lieved the time was ripe to bring the miners' union to terms with a prospect of starvation, such reason never was given publicity in any of the many publications devoted alike to combine defense and flattery of Ryan.

The Butte Miners' Union at the greatest meeting of its members held in many years, most of them without resources in reserve, many of them with wives and children to care for, called this pompous head of a lawless combine, who ruled the state of Montana like a despot, to a complete show-down. They proved him false in promise and a quitter in performance. They challenged him to contest with all the odds and weapons in his possession. He confessed his crime by rescinding his own orders, and fled like a crook.

All things considered, that action by the Butte Miners' Union on that occasion constituted as splendid an exhibition of congregate physical and moral courage in devotion to principle and disregard of self as can be cited since the volunteer armies of patriotism marched to death to maintain free government against the forces enlisted for the extension of slavery.

It was the last successful demonstration by the Butte Miners' Union of its power in defense of the rights of its members. It is likely to be the last until there has been another change in much of its membership, and it may have been the cause of the Ryan policy which has replaced so much of that membership in the union, as well as in the mines and smelters, with "bohunks" in place of American citizens.



## Governmental Functions of a Wall Street Combine In a Sovereign State

In theory the state of Montana has a republican form of government. In practice it is governed by a Wall street combine organized under the laws of New Jersey. The people rule ostensibly and in declaration of constitutional provision through duly designated representatives. The corporate bosses rule actually through corrupted and corrupting agencies. The constitutions of Montana (Section I, Article IV,) provided for the division of government into three co-ordinate departments, legislative, executive and judicial. The Amalgamated Copper Company has supplied a fourth inordinate branch, with supervisory control over all, which may be properly designated as managerial. The Constitution of Montana (Section I, Article III,) provided: "All political power is vested in and derived from the people; all government of right originates with the people; is founded upon their will only and is instituted solely for the good of the whole." The Amalgamated Copper Company has determined that all political power in Montana is vested in its agents and derived from its managers, and is an institution to be exercised, rightly or wrongly, chiefly for the gain of Wall Street speculators.

So broad a statement may be disputed by a few official honorables in Montana, proud of their titles and wise in the knowledge that they are permitted to exercise their little brief authority in public affairs compatibly with combine purposes and that they receive at least

some part of their compensation from the public treasuries in funds provided by taxpayers. Possibly it may be disputed by a few honest and patriotic private citizens, who have their knowledge of government from the splendid state constitution and the servile organs of publicity provided by the foreign corporation. It will not be disputed by anybody with facts of history relating to legislative, executive, or judicial action in matters of importance wherein public interests conflicted with combine interests in the last half-dozen years. In previous chapters the facts have been told about the ways and means with which this overreaching organization extended its interests and control to include the best developed resources of the state, the public press, and the occupations of bread-winners. All these achievements were needful to accomplish control of government in all its branches within the state. This last accomplishment was essential to protect the corporate invaders against penalties for lawlessness already practiced, and, more important, to give them appearance of lawful authority and license for unprecedented extension of corporate powers, special privileges, and dishonest exploitation, then contemplated, together with immunity from prosecution and punishment.

It is not claimed, and it should not be inferred, that all public officials in all branches of government in Montana were made flagrantly and habitually dishonest in official action by the malign influences employed in the expansion and exercise of corporate power through government agencies. It is asserted that these influences used these agencies successfully when they needed them in every great emergency. At best our boasted scheme of popular government is complex and doubtful in operation. It is a long way from the perplexed voter in the

election booth, through legislation, administration and litigation, to the final decision of the court of last resort. With the current of events obstructed or diverted by conflicting opinions, rival ambitions, party divisions, limitless variety of interests, constitutional limitations, maze of judicial interpretation and precedent—there is a wide field of opportunity for the corporate lobbyist to play his little joker and win the trick for his employers without disturbing the integrity of very many public servants for each transaction. Moreover, always it must be borne in mind that this conquest of Montana was being made by Napoleons and not by novices. This was no Robin Hood or Captain Kidd adventure in lawlessness, no plebeian holdup of belated citizens. Quite the contrary. Here was a matter of big business to be transacted between gentlemen, all actuated by professed concern for general prosperity and the public good. Here are the names of the directors of the Amalgamated Copper Company as printed in "The Manual of Statistics, Stock Exchange Handbook" for the year 1907; Albert C. Burrage, Boston; George H. Church, New York; John E. Judson, New York; William Rockefeller, New York; Henry H. Rogers, New York; Henry H. Rogers, Jr., New York; James Stillman, New York. The same authority announced that the main office is 42 Broadway, New York, and that the annual meeting is held the first Monday in June at Jersey City. Were these not all honorable men, located in an eminently respectable neighborhood, meeting regularly according to the laws of New Jersey? Was not Mr. John D. Ryan, banker and publicist, their managing director in and for Montana? Were they not employing nearly 15,000 men in the state, and nearly one hundred newspapers, and the most influential persons they could think of in both political parties?

Were not their mining managers, and railway men, and lawyers, and doctors, and merchants, and lobbyists, among the very best people according to the newspapers in their respective communities? Were these not electing officers of banks, and of commercial clubs, and agricultural societies, and of good roads organizations, and of women's clubs, and of every conceivable sort of eleemosynary institutions? Was there any good reason why these public spirited gentlemen should not take an active part in politics, or why they should not be consulted by citizens who aspired to serve the state as legislators, administrators, or judges? Did not representatives of these great and varied interests contribute liberally, not to say lavishly, to the campaign funds of all political parties?

For further particulars see the daily newspapers of Montana.

In a general way the copper combine controls legislation in Montana as other special interests control legislation in other states, and as these have controlled legislation in the national congress of the country. It has its creatures elected to chief positions in the legislative organizations and directs the makeup of committees for both branches, as is common elsewhere. In Montana it started with a tremendous advantage, to secure control at each session, by reason of the fact that a legislative apportionment made many years ago, when most of the population was in mining and smelting districts, was retained notwithstanding that the most glaring inequalities of representation existed under it. For instance, Deer Lodge County, where the great smelters are, and which is a mere pocket borough for the combine, sent six members to the lower branch of the legislature, while agricultural Yellowstone county, with a greater popula-

tion, had but one. Regular sessions of the Montana legislature are limited to sixty days by constitutional provision. With control of officers and committees, and with experienced members and lobbyists in its employment, it is not difficult for the combine to delay objectionable measures and advance others till the session is more than half over. Then comes the conduct of business by the "Steering Committee", provided for under a joint rule which reads: "The special senate committee shall appoint a committee of five senators, and the speaker of the house shall appoint a like committee of five house members, and such ten members, so appointed shall constitute a Joint Steering Committee, and such Joint Steering Committee shall on and after the fortieth day of the session have the authority, and are hereby directed, to fix the order of consideration of all bills, memorials and resolutions coming before the senate or house for consideration, subject, however, to the general provision that in the senate all house business shall be first considered, and in the house all senate bills shall first be considered; all reports of the house committee of such Joint Steering Committee shall be signed by its chairman and shall also be approved and signed by the chairman of the senate steering committee, and all reports of the senate committee of such Joint Steering Committee shall be signed by its chairman and also signed and approved by the chairman of the house steering committee."

Rule No. 19 provides that "No joint rule shall be repealed, amended or suspended except by two-thirds vote in each house." All bills reported by all standing committees go to the steering committee. See how this operates: After the steering committee favorably passes upon a measure, both chairmen of the committee must approve and sign it before the measure may come before

either house, and there is no power to compel either chairman to perform that act. The only way to force action by either committee or chairman is to suspend the rule, which requires a two-thirds vote in each house. There has not been a session of the legislature in ten years in Montana in which the copper combine has not had sufficient representation to prevent such action on any measure. The rule and practice in effect and fact give veto power on any measure to each chairman of the Steering Committee. It might be possible to have some men free from combine influence as chairmen of that committee but it has not happened in many years.

For complete understanding of the manner in which the combine and its lobbyists pass laws in Montana, the following account of the last day of the last legislative session in that state, 1911, is reproduced here. It was written by Mr. James W. Scott, experienced and capable in legislative reporting, and as reliable and trustworthy a news-writer as was ever employed on any newspaper:

"The closing scenes of the Montana legislative session this year were marked by even more flagrant disregard of law, order, decency and common sense than have characterized preceding sessions. Spectators in either house during the last day, evening and night of the session, who had not had previous experience with Montana legislatures, were astounded at the spectacle presented. The feature that made them gasp was the reckless and abandoned manner in which bills were railroaded through the legislative process.

"This desperate and unseemly struggle to perfect in twenty-four hours legislation that had been dallied with for two months is one of the most disgraceful delinquencies of the Montana lawmakers. The present legislature was one of the worst offenders in years. This

legislature passed 223 bills, and 114 of these were rushed through on the last legislative day. At least sixty or seventy of these bills were not conveyed to the governor till after midnight of the last day when the power of the legislature legally to enact laws had expired by the operation of the organic law.

"When a legislature comes to its last day with two or three hundred bills undisposed of, and undertakes to pound half of them through both houses before the session concludes, it simply delivers itself to chaos. The work of the house and senate on the last nights included both chaos and pandemonium. All day bills were rushed through committee of the whole and third reading in both houses, without knowledge or understanding on the part of anybody as to the merits of any of them. All rules were disregarded. To make matters worse than usual this session, the joint assembly absorbed the time from noon till evening, and an evening recess took the rest of the time till ten o'clock.

"From ten o'clock till one the next morning, an hour after the legislative session had legally ended, the same feverish, roaring mill of reckless legislation was kept going at top speed. The committees of the whole and on third reading were alternated with committee reports, which were adopted without consideration, bills being advanced for consideration, considered in the committee of the whole and passed on third reading in a perfect stream, while perhaps not five per cent. of the members in either house even caught the numbers of the measures, much less the titles.

"This part of the work was concluded some time after one o'clock, and the sixty or seventy bills that had piled up on the army of enrolling clerks by that time was so great that those workers were unable to finish enrolling

them till 8 o'clock the next morning. More enrolling clerks than ever before employed struggled with this overwhelming mass of work, and although they toiled at top speed, they were given bills and more bills beyond their power to handle as the night passed.

"There was no attempt to engross the measures. The rule to engross bills was suspended, and bills recommended by committee of the whole were considered engrossed and placed on third reading without comment. Committee meetings on bills, too, were early abolished on the last day. The way the measures were acted upon in committee rivalled the performance in the houses; the chairmen of the committees merely took time to sign reports and present them to the house or senate. In the senate some senator weakly protested that a committee had not acted upon a bill that had been favorably reported. Immediately a motion to dispense with such meetings was made and carried, and then committee action became an endorsed formality.

"The steering committee resolved itself into the chairmen of the two sections. They gave up the entirely superfluous work of making reports, and merely wrote the numbers of the bills that they desired acted upon on the blackboards of the house, tossing the bills up to the clerk, who read them in committee of the whole at the order of the chairman as they were reached. It was as good as a show to watch Senators Gallwey (presiding officer) and Edwards (joint committee chairman) work together in this fashion on Thursday night. Edwards would drop a bunch of bills on the clerk's desk, and walk over to the blackboard and write the numbers; Gallwey would glance at the blackboard, picking up the numbers with his eagle eye, and call them off one after another with lightning speed; the clerk would mumble through

the title at a ripping rate, and the bill would be before the senate. Some senator who had caught the number would move that the bill be recommended. Gallwey would put the motion, there would be a grunt, and that bill would be up to third reading.

"That any of the senators knew what measures were washing through on this stormy tide of meaningless words and numbers, save bills they had been pursuing for personal reasons, and which exclusively occupied them and the perfect horde of lobbyists who filled the aisles, lined the walls, and occupied the seats of members and guests, is quite impossible. Besides, the senate was helpless to change the proceeding and block the work of the bosses. There was an ocean of bills that all knew must be got through to keep the obligations with members and lobbyists, and any effort to consider these measures soberly would simply leave ninety per cent. unacted upon.

"In the house in the morning, the situation was perhaps as bad or worse than in the evening, for the chamber was more than half deserted; the members had so many personal irons in the fire which had to be attended to that they could not remain in their seats to consider bills of interest merely to the people of Montana. The result was, that, in committee of the whole, the title of a bill would be read, and somebody would move its recommendation; the motion would carry, and that would be all. A dozen times members, suspecting that the bill before the house might be of interest to them in some personal way, would arise and ask for the number or the title again. The motions were carried with half a dozen ayes, and on third reading the absentees would number almost as many as those voting. All around the chamber and gallery comments on the procedure, grins, indignant

criticisms, and cynical remarks were uttered by astounded and shocked spectators.

"Besides the utter lack of sane or decent consideration of the final hundred or more bills passed on the final day and night, the system and process described were also attended by features of another character even more harmful to public interest. All the objectionable bills, all measures that the Amalgamated-Anaconda copper company and Ryan and Morony didn't want, died in committees. The steering committee was a tremendous burying ground. In the best of times it is mighty hard work to force a measure of any kind through the Montana legislature against the opposition of the interests; this is so well understood that all attempts to advance measures of this kind were given up on the last day by their friends, and these were allowed to perish without a protest.

"The moral of the case is to be found in the fact that in the process described the legislature of Montana does not enact legislation because it is valuable to the people nor kill bills that are harmful, but makes laws and prevents laws to suit the interests."

This picture was true to life, lacking rather than exaggerating in detail. In other chapters devoted to particular enterprises of combine perfection there will be specific examples of legislative, executive, and judicial power diverted from public service to serve corporate interests. Mere repetition of instances of these crimes against the state, committed in the name of, and under authority of, state agencies, might serve to tire the reader as well as the criminals.

The misuse of the executive or administrative departments of government in the service of this foreign corporation has been unmistakable and frequent. The term

of office of governor of the state covers four years. The Amalgamated Copper Company during the period covering both its conflicts and its supremacy has had to deal with but two men in the office of governor, Joseph K. Toole and Edwin L. Norris. Mr. Toole had served as a delegate of the territory in congress and was the first governor of the new state. Great physically and mentally, handsome and eloquent, patriotic and outspoken in advocacy of the interests of common people, he acquired a state-wide reputation as "honest Joe Toole" and had become regarded as almost invincible in a campaign where the result depended upon the popular vote. In previous pages he has been quoted with warning against the very dangers of monopoly control now fastened upon the state, and it has been told that a representative of the Amalgamated Company and its allied forces boasted that \$80,000 were expended to keep Toole out of a democratic state convention as a delegate from Lewis and Clark county in the early years of Amalgamated enterprise. The expenditure was extravagant failure, because the same forces, with their unlimited means, were unable to defeat Toole as candidate for governor. Upon constitutional grounds he had vetoed one "fair trial bill" pushed through the legislature in early effort to halt Heinze's misuse of Silver Bow county courts. He was governor in 1903, and broke with Heinze to call the legislature in special session when Amalgamated properties were closed down by Judge Clancy's decision; and he approved the fair trial law enacted at that session. There was justification for this action by Governor Toole in public necessities as well as in the need of the legislation to relieve the state from the judicial lawlessness fostered through exclusive jurisdiction of subordinate judges over questions of fact in equity cases. But Governor Toole

did not stop with this service mutually beneficial and just to the public and to the Amalgamated Company. He not only became a political favorite and beneficiary of the combine but the tone of his public utterances, the character of his official recommendations, and almost the whole policy of his administration, were subjected to radical change in the "conservative" direction. In 1904 he was re-elected as a democrat by a large majority, although President Roosevelt carried the state for president with like handsome endorsement and all the successful candidates for state offices other than governor and lieutenant governor were on the opposition ticket. This happened notwithstanding that the republican candidate for governor was Hon. William Lindsay, an old-time citizen, with a long time record of unyielding honesty in official life and of courageous warfare against political corruption in the years when the Clark-Daly feud had made it almost universal. Governor Toole had sacrificed something of his hold on good opinion by his marked change of attitude towards corporate aggressions, but every influence subject to Amalgamated Company direction, without danger of reaction from exposure, was enlisted in support of Mr. Toole; even to the extreme of election frauds in Butte, of which it is only fair to presume he was ignorant. He resigned the office near the end of the term on the plea of ill health and has not been active in political affairs of the state since that time. His successor was Edwin L. Norris, elected to be lieutenant governor. Governor Norris was like Governor Toole in being a lawyer with a pleasing personality. He was a smaller man both physically and mentally; and he never had been "unsatisfactory" to the Amalgamated Company as a legislator or a candidate. In 1908 Governor Norris was elected to the office directly, on the demo-

cratic ticket, while the republicans were permitted to give Mr. Taft a majority of many thousands and to elect every other candidate on their state ticket, the political double dealing of the combine managers being more open and easily traceable in the returns than in 1904. Governor Norris has been radically outspoken for public interests in messages to the legislature and in public addresses. He has been an abject tool of the combine whenever and wherever they have seemed to need his official action or influence. The chief lobbyist for the copper combine, in a public resort in Helena, has been known to have called the governor to the telephone to give him instructions. The extreme confidence which the combine managers reposed in the serviceable qualities of this executive is at least indicated by the fact that to support and elect him they were willing to trick and betray, in his opponent, Senator Edward Donlan, who, in his legislative career, during the Heinze-Amalgamated fight, had been their faithful and influential supporter. Mr. Donlan had secured the nomination in the republican convention after a vigorous fight, whereby he had defeated the plans as well as the candidate of Senator Carter, at that time the combine's chief representative in the republican party of Montana, as well as at Washington. A few days before election there were whispered communications between some republicans that word had been received from John D. Ryan, head of the combine and nominal democrat, that the republicans could have the electoral vote of Montana for Taft and all the other state offices if the company could have its way on the governorship. On election night in Helena, Mr. T. Arthur Marlowe, banker, allied in interests and maintaining intimate relations with combine agencies, a renegade democrat since the election of 1904, and treasurer

of a republican campaign committee in 1908, was in The Helena Record office with other republicans receiving election returns. Bulletin after bulletin came from Butte showing that Taft and Norris, republican for president and democrat for governor, were running closely together in that combine stronghold. As a message was received strongly exhibiting this peculiar discrepancy of political sentiment in Butte, Mr. Marlowe exclaimed: "That shows what the company can do when it tries." Less than four years later Mr. Marlowe was elected to be a member of the republican national committee from Montana and sent as a committeeman to the national convention in Chicago to support Taft, both results being obtained by political jobbery, bribery, bull-dozing methods and defeat of public sentiment; which also shows what the company can do when it tries. If these intricacies of treachery and fraud and corruption in combine efforts to determine the selection of executive officers of government are relevant to show that the same influences and interests control such executives when selected, it is pertinent and proper to mention them here.

Judicial officers in Montana are supported or opposed, as candidates for office and as officers in power, by the combine organization with the same influences and the same methods which are used to secure results in other departments of government. There may be upright judges in the state who owe their position in part to support of combine influences, and whose minds are unbiased and whose decisions are unaffected by consideration of corporate political powers; but there is no upright judge on the bench in that state who will be indebted to such support for a second term if his decisions and opinions conflict seriously or frequently with the abundant precedents which in case of doubt or tech-

nicality give the corporation the benefit of both. Take the testimony of a lawyer who has been employed both for and against these interests, and who was talking as a candidate for a judicial position to an audience composed chiefly of wage-earners employed by these interests in Silver Bow county:

"Of what benefit is it to you that, if you are injured in the employ of a corporation, you have the right to bring suit and recover. The records of the courts show that the workingman does not prevail in such suits once in twenty-five times. If he does prevail, the records of law offices show that he, or his widow or orphans, receives not more than one-half of the amount realized."

"What does it profit you to be allowed to sue your master for injuries received in his service? Who is your master here in this county? The Amalgamated Copper Company is your master. How many of you has your master killed or injured in the last ten years? About one of you a day. How many suits have you brought against your master for such injuries or deaths? Hundreds. How many verdicts have there been against your master in such suits in ten years? One. Was that verdict paid? No. It was cancelled by the supreme court of Montana. Did Mr. Justice Smith of the supreme court of Montana restore the lost leg when he wrote the decision cancelling that one verdict? No. Dennis Leary is still walking on one leg. Will the writing of that decision help Mr. Justice Smith to the federal bench when vacancy occurs in this district? Yes, or to any other higher place which the republican party of this state has to give. Was Leary's case reversed because he chose a poor lawyer? No. He had John J. McHatton, the most successful lawyer in the state.

"And how much will it profit you if you sue a corporation in the federal court, where twelve must agree be-

fore a verdict and where that twelve is drawn mostly from a class to which the workingman does not belong? It is surprising, doubtless, to the workingman that well-nigh all of the suits between servant and master find their way to the federal courts. The reason is that this court indulges in a presumption which nine times out of ten is absolutely false, but to dispute which that court will not hear evidence of the truth. That court presumes that if a corporation be organized under the laws of New Jersey, its stockholders are citizens of New Jersey. Nor will it hear a workingman in Montana, a plaintiff, testify to the fact that all of the stockholders of that New Jersey corporation are residents and citizens of Montana. That court will not hear the workingman in such a suit testify that all of the property and all of the franchises and all of the operations of that corporation are in Montana, and that the only thing that that New Jersey corporation has in New Jersey is a charter and stock book and the dummy director.

\* \* \* \* \*

"Of what benefit is the right to sue and the right to recover when it is physically impossible that any recovery is had in one case out of twenty-five? It is but a bribe and a bait to tell the workingman that he will receive any benefit whatsoever from the enactment or the enforcement of safety appliance laws. He should insist on that law which every civilized nation on earth has adopted, with the exception of the United States, and that is, that the business carried on should take care of its cripples and its orphans; that the traffic should be made to pay, in addition to its millions of dividends on watered stock, a fair price for the labor power it inevitably takes from such as have naught else to sell.

"Theodore Roosevelt proposed this law for the benefit of the workingman in his speech at Yorktown two years ago. He said, 'that the master's insurance of the workingman was only just.' This statement marked the downfall of his popularity with the leaders of his party."

The unmistakable exercise of controlling power over government agencies is demonstrated by such a record of results. Use of this power was not confined to the determination of issues of large importance. It was exercised in minor affairs wherever monopoly profits could be enhanced in the slightest degree, or whenever it could be utilized to extend and perfect the power itself.

It has been mentioned how great advantage in politics and legislation was secured by maintaining a manifestly unfair legislative apportionment of the state with excess of representation in the mining and industrial district where corporation power was concentrated. Under the scheme of representation each county is entitled to one state senator and at least one member of the house of representatives. Agricultural development of the state has been rapid in recent years, with large increase of population in territory previously used as ranges for cattle and sheep on the public domain. In this territory there were counties with area greater than that of any one of a number of states, and their settlement created conditions whereby citizens were compelled to travel hundreds of miles, with large expense of transportation and loss of time, to reach the county seat. Until the year 1911 all county divisions were made by the legislature. To create new counties in agricultural sections was to increase legislative representation for citizens independent of corporate influence to a great

extent. Notwithstanding apparent needs and frequent demands, only three counties were created after Amalgamated supremacy, prior to the enactment of a law in 1911 which made it possible, although very difficult, for the people of a county to divide its territory without special legislative action. Two of these counties, Lincoln and Sanders, were located in the mountainous timbered sections of western Montana where the Amalgamated Company and its allied interests owned the greater part of the land and timber not held by the government in forest reserve, and where the larger part of the population was employed in lumber operations of the corporation or its customers. The third, and the only new county in the vast agricultural region, was Musselshell, where the chief town and county seat of Roundup had for its industry the operation of extensive coal mines owned by the Chicago, Milwaukee and Puget Sound Railway Company, which in turn was owned by the same interests in control of the Amalgamated Company and managed, in part at least, by the same directors. The extension of this railway through the state afforded other examples of corporation care over political affairs. The principal shops of the company in Montana were located in Powell county, hostile to the copper corporation by reason of extensive and unliquidated damages to agriculture and livestock from smelter fumes. This colonizing of railway employees in the city of Deer Lodge gave to the corporate interests controlling power in elections in Powell county. Similar enterprise and generous consideration to Miles City gave to the same interests a large influence in an important county in the eastern part of the state, which in earlier times had been derisively designated by corporate politicians and lobbyists as the cow country.

It is difficult to decide how many and what illustrations of this combine use of governmental functions are desirable or necessary to inform readers, in the presence of plainly apparent conditions and results which show conclusively that almost all exercise of governmental powers in all branches is tainted with corporate influence and activity. Lavish promises in party platforms and by party candidates for laws and policies, both in the general public interest and for relief of specific wrongs and hardships against wage-earners, were ignored in legislative and executive action or openly violated in disregard of public protest by labor organizations and citizens. Through four successive biennial sessions of the legislature, action to fulfil promises made by both parties for a primary election law was defeated by shameful jobbery and jugglery. In every session some pretense of performance was made to save the political lives of recreant members by deceiving the voters. In place of legislation to improve unsanitary conditions in the deep Butte mines and to give better protection to miners against death or injury by accidents, a legislative committee, satisfactory to the corporation, was appointed to investigate, was sent to Butte, was entertained by officers and lobbyists of the company in lavish style, and, after a visit so brief as scarcely to qualify the committee-men intelligently to distinguish between a hoist and a dump, this committee returned an elaborate report exonerating the corporation from fault or responsibility in existing evils whereby the death rate in Butte mines annually was proportionally greater than for the entire city of Butte from other causes, to say nothing of the hundreds of cripples, and the still greater number of men whose health was destroyed by unsanitary conditions preventable by reasonable expenditure.

In like fashion and with similar result there was a pretense of legislative investigation of the coal trust in Montana during the session of 1907. Besides mining coal in Wyoming, in the Bear Creek district, and at Roundup in Montana, for use in mines and smelters and on its railways, this Wall Street aggregation has retail yards and sells coal from all these fields to the public for domestic uses. Although there are great coal fields in much the larger part of Montana's vast area, and developed mines under private ownership within from two to five hundred miles of the chief centers of population, the price of bituminous coal for domestic uses is maintained at so high a figure and with so much uniformity of retail value as to amount to a demonstration of the existence of a combination in restraint of trade, and to fix prices which in 1907 were at times ranging about nine dollars per ton for mine run of soft coal. The special legislative committee held solemn sessions, took voluminous testimony largely from agents or beneficiaries of the conspiracy—and nothing came of it.

If there be doubt in any minds respecting the responsibility of the Napoleons in Wall Street for these governmental abuses in Montana, it may be removed by consideration of the actual conduct of one of the big men engaged in little business of government in the treasure state. In the spring of 1907, in the city of Anaconda, a spirited contest was started preliminary to the election of members of the city school board. The excitement hinged upon the question of church influence in the public schools, stimulated by the retirement of an efficient and popular man at the head of the schools and the selection of an educator with qualifications for the work, but who was known to have been indebted to Butte influences and other considerations for his em-

ployment. As election day approached the awakened prejudices became very strong and a menace to the harmonious control of the town by the corporate influences. Mr. John D. Ryan, managing director, came on from New York and was advised that appeal had been made for Butte influence in the contest. He went to Anaconda, and with threats of loss of employment with the company to all directly concerned in the rival candidacies, he compelled all of the candidates on both sides to agree not to serve if elected. With like power of authority he secured from the county superintendent of schools, who was by law vested with the power of filling vacancies on the school board, an agreement to appoint as members of the board the persons named on a list furnished by himself. This arrangement was carried out to the last detail, and the public schools of Anaconda were placed under the management of a man selected in Butte in a way dictated by the gentleman from New York. However much people may differ respecting the necessity or wisdom of such heroic means to settle a local school controversy, they must agree that the action taken furnishes something more than circumstantial evidence of the power of the Amalgamated Copper Company, through its organization and agents, to exercise some functions of government in Montana.



## How Lawmakers, Governors and Lesser Officials are Chosen and Confirmed

Public office in Montana being one of the most valuable assets of a private trust, the selection of public officials is one of the most important duties of the corporate boss employed by the American kings of wealth to direct affairs in that commonwealth. The party boss, against whom the people in many states have campaigned regularly and with only partial success for a score or more of years, in Montana has become a mere servile tool of the more perfect organization of the corporate combine. The amalgamation of political influences within the state has been more complete than that of copper mining industries. When Mr. John G. Morony invited public confidence and good will by proclaiming that the company had determined to "keep out of politics" he would have been concisely truthful if he had but added "and to keep politics in the company". This comprehensive combine, in the Butte vernacular, "swallowed the works" in the political field just as it did in the industrial and financial and speculative fields. It has no declared candidates of its own, but it generously selects and elects or defeats candidates for all parties.

Nominally, President John D. Ryan is a partisan democrat. So was Mr. John G. Morony when managing director. So is Mr. "Con." F. Kelly who succeeded him. Mr. E. P. Mathewson, general manager of the great smelters and almost everything else in Anaconda,

is the same kind of a republican. So is Mr. C. H. Goodale, who has charge of Great Falls smelters and some mining operations in Butte. Mr. John Gillie, general superintendent of the company, democrat; Mr. L. O. Evans, head of the combine legal department, republican; Mr. Harry Gallwey, manager of the combine railway company, democrat; Mr. Charles Schwartz, company tax commissioner, republican; Mr. John R. Toole, head of the great lumber department, democrat. Thus it runs to the most humble position of employment in all the constituent, subsidiary or subsidized interests—just as it might be if the combine was, in practice as in pretense, "out of politics". But each and all of the gentlemen named, and almost all of the thousands unnamed, actively participate in political primaries, in conventions, at elections, or as lobbyists; regardless of party policies, or promises, or interests, and with as strict devotion to the wishes of their superiors and the lawless purpose of the combine as they do in their respective positions in the industrial organization of the company. Mr. Ryan supported Mr. Roosevelt in 1904, and Mr. Taft in 1908 and thus far in 1912, with all available influences in Montana. Morony and Kelly and Mathewson and Goodale and Gallwey and Toole and Schwartz and Ryan, et al., worked in their respective parties, in or out of convention in their various ways, to the same end held in view by the New York managers on every occasion. Of course the press of the state, controlled by the same influences, edited by the same sort of nominal partisans, is directed with regard to the one desired result. It is impossible that intelligent citizens, awakened to and alarmed by the menaces to free government involved in the encroachments on power by party bosses, can have much doubt about the influences

which rule politics in Montana with a situation existing as described. It may serve to enlarge their understanding of and to extend their interest in public affairs to learn something in detail of the ways and means employed in the selection and election of presidential electors, of United States senators, and members of congress, governors, state legislators, tax officers, and coroners, in a great state, when and where a Wall Street oligarchy becomes interested and organized for business.

There never has been a political campaign in Montana since the Amalgamated Copper Company was organized which the New York bosses have not attempted to direct to a result, with profit to themselves at the public expense. The combine's first substantial victory in Silver Bow county and in the state came in 1904. In 1908 it had found relief from formidable competitors in industry and stock-jobbing within the state, had demonstrated its overreaching power to an extent sufficient to convince most political leaders in all parties, and was seeking new resources for exploitation by new powers and special privileges obtainable only through new laws in Montana and through immunity from honest prosecution for lawlessness by the administrative and executive departments of government, both state and national. Your "malefactor of great wealth" appreciates the verity in the rule that "eternal vigilance is the price of liberty" for habitual criminals, however it may apply to good citizens. Honest men in office and publicity of their own crooked purposes are two pet aversions of self-respecting managers of criminal combines. It has been shown in a previous chapter how they safe-guarded themselves against one of these dangers, by control or direction of the public press of the state. Their ample precautions to avoid the menace of honest men in public

office will be told of now with some of the more important facts in a few of the most conspicuous instances.

It should be kept in mind that conditions had been obtained in Montana wherefrom it was evident to all intelligent party leaders that success was improbable, if not utterly impossible, for any ambitious man without the consent, if not the support, of the corporation management. At the same time public prejudice against corporate influence in politics was one of Heinze's assets which he could not transfer with his other properties when he sold out to the Amalgamated company. In general terms, party platforms promised freedom from these influences and party orators declaimed against the dangers of them in the event of victory to the opposition party. To still this prejudice, as well as to avoid new or unnecessary friction, corporate agencies were shrewdly employed to utilize the popularity of capable men and to applaud patriotism and public spirit whenever it could be exercised without injury to combine interests or obstruction to combine plans. It was the unwritten law of the combine code that "an honest man is one who will stay bought", and that treason deserving punishment consisted solely in service to the public interests where it conflicted with service to the combine interests. During the years of the Heinze-Amalgamated conflicts, when all departments of government were so constantly in demand and so much employed, almost every man in public position was of necessity on one side or the other, more or less conspicuously. In later years, when men with some conscience or some regard for their constituents have opposed combine plan with official vote or argument, it has been the sport of the combine lobbyists and organs to condemn such men in public opinion by recalling their past services to the

company and the company support of their candidacies as proof that they were unscrupulous tools of these interests and indebted to the combine for their place and power; even when such services were given in the public interests to defeat other pirates and when their personal popularity had been an aid to the corporate managers in efforts to better their own reputations in public opinion. There have been other cases, frequent enough to afford constant example to aspiring statesmen, where refusal to serve in lawless undertaking has been punished by excommunication with the combine lobbyists and by the awful solemn curse of "Johnny" Morony's life-long opposition as a handicap in future political races. Under these circumstances, within the environment of these influences, it is plain enough how good men could have been defeated with ridicule or slander, and how corrupt tools of the special interests have served their masters with fidelity while beguiling their constituents with profuse promises and with fine phrases in affected devotion to right principles and patriotic public policies. It is plain, also, why men of good public character and reputation and without corrupt purpose have been known to visit Butte to learn from headquarters if their candidacy would be satisfactory to the combine managers prior to announcing it to the public. This last practice explains in part how it could happen that two faithful servants of the interests like Governor Edwin L. Norris and State Senator Edward Donlan were permitted to oppose each other for the same office, with campaign funds for both derived from combine sources, and Donlan learned too late that his chances for success had been disposed of in a swap of combine democratic support of Taft for combine republican support of Norris, all without loss of Donlan's support of

combine lawlessness as a senate leader in the succeeding legislative session. By this result the corporation managers served another purpose in continuing the system whereby they divided the public patronage between members of both parties and maintained in both party organizations influential agents of their own, at the public expense.

Candidates for the more important political offices usually are selected by the corporate bosses long in advance of convention season, and the public is coached into acceptance and support of them by puffery in the press and with adroit campaigning by ubiquitous lobbyists. In 1904 the fight with Heinze was still in progress. Amalgamated influences were still limited, and were concentrated in support of "satisfactory" candidates for the bench in Silver Bow county, of Mr. Chief Justice Brantly for reelection to the supreme court of the state, and the reelection of Governor Toole, who had deserted Heinze to serve the Amalgamated Company and the public together in the preceding year. Even in that campaign there was begun the system of discouraging honest men, and honest opposition to company purposes, which has become the common practice of more recent times. The combine representatives in the Republican state convention, directed by L. O. Evans of the company "legal" department, made strong but futile endeavor to prevent the nomination of Mr. William Lindsay for the office of governor. Mr. Lindsay was an early day settler in eastern Montana, and had become a sheep-grower on an extensive scale. He acquired prominence in his party and a strong hold on public confidence as a legislator by mercilessly flaying his fellow-partisans who sold their votes in the Clark-Daly contest. In 1902 he was chairman of the State central committee of his party.

That he was the popular choice, for the office of governor, within the party two years later was demonstrated when he secured the nomination in the convention despite the opposition of the corporate interests. Notwithstanding this combine opposition in convention, and the fact that it was followed by a campaign of misrepresentation and ridicule after the convention, Mr. Lindsay subordinated his ambition to his integrity and self-respect and rejected proffers of support from the Heinze forces which might have insured his election, and which were conditioned solely upon his promise to give Heinze preference above the Amalgamated Company in matters which concerned the corporations more than the public, he insisting that he would make no promise to abridge his freedom as an official to determine every action on the merits of the question involved when the time came for action. Amalgamated support of Mr. Roosevelt that year was designed to help Amalgamated candidates within the state. By reason of his personal acquaintance and experience as a ranchman, as well as those reasons which gave him strength elsewhere, Mr. Roosevelt was extremely popular throughout Montana, while his antagonist was worse than weak. There were election frauds in Butte by wholesale, and a recount of ballots in a local contest in Silver Bow county showed that great numbers of ballots had been marked apparently by one person with one pencil, and these marked only for four candidates, of the many on the great blanket ticket, in whom the Amalgamated combine was chiefly interested. Without these ballots the fact that the company supported Roosevelt the republican, for president, and Toole the democrat, for governor, would easily account for the election of both so far as the state of Montana was concerned, regardless of the relative

strength or weakness of the defeated candidates. Four years later this defeat of Mr. Lindsay was revived by Amalgamated organs as an evidence of his weakness as a candidate. Other combine agencies brought out a number of convention candidates "satisfactory to the company", and Mr. Lindsay, with practical certainty of the nomination if he would stand for it, declined to permit the use of his name. Thus the combine was assured against the danger of an honest man in the office of governor of Montana until the year 1913 at least.

The experience of United States Senator Joseph M. Dixon illustrates the active ingratitude for services performed to themselves and active resentment of services performed for the public, as well as the constant fear of honest official action, in the minds of Amalgamated managers. Mr. Dixon was a young attorney in Missoula when he was brought into the maelstrom of Montana politics as a member of the legislature. The Heinze-Amalgamated fight was on and his influence was exerted against Heinze and his methods. Dixon was clean in professional and in private life, and this fact alone might easily have determined his course at that time. In 1902 he was elected to congress and reelected in 1904. There is no doubt that in these campaigns he was supported by Amalgamated influences, just as every successful candidate was supported who was opposed by Heinze or opposed to Heinze, nor is there doubt that Mr. Dixon rewarded this support by favoring the Amalgamated Company as against Heinze in matters in which both were interested. In 1907 Mr. Dixon was elected to the senate, making his campaign for the office the year previously, and surrendering all claim to consideration as a candidate for reelection to the house. In 1909 Mr. Dixon became interested in railway rate discriminations

through irrefutable evidence that the people of Montana were being grossly overcharged for transportation services, as compared with charges for greater services to states farther west. He supported vigorously and effectively the amendment to the Interstate Commerce law prohibiting higher charges for a short than for a long haul over the same line in the same direction, a bit of legislation which has proven of very great benefit to the people of Montana in meeting competition as well as in saving extortionate freight charges. The Wall Street interests which operate in mining, and politics, and other leading industries of Montana, also operate the Chicago, Milwaukee and St. Paul Railway, which runs through Montana, as well as other important transportation systems. As soon as the managers of these interests became convinced that they could not operate Mr. Dixon as United States senator, he became "unsatisfactory" to Ryan, and Morony, and Kelly, and Lanstrum, and Marlowe, and Durston, and all other democrats, near-democrats and ex-democrats, together with most republicans who took their political orders and nourishment from the copper combine. Persistent refusal by Dixon to serve these special interests, regardless of the rights of his constituents, was followed by loss of President Taft's confidence in Mr. Dixon's judgment, so that the senator's recommendations relating to patronage and things of that kind came to be rejected or unconsidered. By 1910 Senator Dixon was an insurgent in good standing among the insurgents in the United States senate, and in bad standing with the representatives of special interests in that body and in Montana. The democratic press of the state, subject to combine influence, commenced warfare upon Dixon in real seriousness. The republican press of the state, subject

to the same influence, commenced to ignore or misrepresent him. In Missoula Mr. Dixon owned the only daily paper, and when he became progressive the policy of the paper naturally harmonized with his arguments and beliefs. A new daily paper was established in Missoula, at great expense, and a former editorial employee of Heinze eventually was put in charge to discredit Mr. Dixon in his home bailiwick. After Dixon announced his support of the candidacy of Mr. Roosevelt for the presidency in 1912, and was chosen by Mr. Roosevelt to be manager of his campaign, the perfected copper combine bi-partisan organization was enlisted or ordered into line with the Taft forces in Montana, and a delegation favorable to Taft was sent to the Chicago convention in June, by methods with which Montana has become familiar through her long experience with rich men's feuds, copper combine wars, and corrupt control of the state by and for special interests. The declared purpose of the combine agents in this combat, as appears by sworn testimony, was to "get Joe Dixon". The fight which has been conducted from ambush for more than two years has been forced into the open by Dixon and his friends. Senator Dixon's whole offense consisted of conspicuous public service of substantial value to every state in the union with incidental loss to lawless combines through public regulation of a public utility.

The fickle fealty of combine management to political parties and to individual helpers, as well as its prompt punishment of the most trivial insubordination shown by its political servants, was displayed with variations in its relations to the late Thomas H. Carter. In the early years of the state, when a young man, Mr. Carter as leader of a forlorn hope for his party was made a member of congress as the beneficiary of Mr. Daly's

antipathy to Mr. Clark. Mr. Carter was a prize pupil in the school of party machine politics and became a national figure in the republican party long before the Amalgamated Copper Company was conceived. He had filled important offices in the national party organization and served a term in the United States senate. He combined, with the arts of a consummate politician, much skill as a popular orator, tireless energy, and charms of personality and good fellowship which fascinated friends and dulled enmities. His service to special interests throughout his long political career was unmistakable and substantial, and eventually caused the loss of public confidence which brought him to humiliating defeat by the people of Montana in 1910, at a time when he and the corporate interests allied in support of him appeared more strongly entrenched than ever before and were in command of practically all organized power in the state, corporate or political. But for almost a quarter century Mr. Carter maintained his rank as the most adroit, resourceful and successful politician in Montana, where proficiency in the game was a common talent. In the first years of its existence, when the Amalgamated Company was compelled to fight for the mere right to exist in Montana, the able politicians exercised the rights of the boss. Mr. Carter early became connected with Amalgamated interests and services were mutual; but action which involved serious menace to party, which was his source of strength, sometimes caused him to pause and avoid or evade proceedings sought by the corporations. Party lines had not been obliterated at that time, even in the corporate organization, and bitterness and rivalries born of factional and feudal contests were alive and active. Mr. Carter knew men and influences in the state better than the invaders did, and his cheerful disposition,

as well as other qualities, made political suicide repugnant to him. He could be convincingly frank and courageous on occasion, as when he was credited with having refused an appointment to provide for a non-descript politician, who had influential connections and strong endorsements, for the given reason that the applicant "when he is drunk is irresponsible and when he is sober is a blank fool". But the man, whose suave manners and subtle ways in harmonizing differences earned him distinction as "the Bishop of the flock" of stand-patters in the United States senate in insurgent times, was not a victim to blind obedience to anybody's orders. Not until long after it happened, the Amalgamated management was informed that the refusal of the legislature to impeach a Heinze judge was attributable to the decision of a secret conference between Mr. Carter and other republican leaders, reached in careful consideration of party interests. In consequence, envious, covetous and ambitious employees of the corporation were heard in New York, and Mr. Carter soon learned that consideration of combine interests had determined that he would best serve in private life. For obvious reasons he had become a conspicuous object of attack for the Heinze people. To his political abilities, the fidelity of influential individual friends, and the fears, rather than the support, of all the corporate copper operators, Mr. Carter was indebted for his return to the United States senate in 1905. Amalgamated influences were exerted in opposition through conspiracy, and with an alleged independent organization of a few republican legislators led by O. M. Lanstrum, but these were offset and finally whipped into line with the certainty that the Heinze contingent of legislators from Silver Bow county, elected as "anti-trust" representatives, would give Carter their

votes and his victory on a given date. The combine forces were backed up and the combine lobbyists were sent to share in Carter's hospitality and to congratulate him upon his victory. The following three years an armed neutrality was maintained between Senator Carter and the copper combine managers in Montana, with understanding on both sides that Mr. Carter had some punishment coming as soon as the combine managers could find ability and opportunity to inflict it.

In 1907 Mr. Carter discussed with some of his friends the advisability, as well as the apparent necessity, of making an open fight against the corporate organization with a direct appeal to the people. With the elimination of Heinze and the extending interests and powers of the combine as object lessons, and possibly influenced somewhat by appreciation of the probability of loss of support from railway and other corporate influence in such a contest, he hesitated. Finally he chose the more familiar and easier compromise route to success. Within a year his friendly relations with the eastern end of the copper combine were re-established, and by his interference, through the legal department of the government at Washington, with litigation against the copper combine in Montana, he performed such service to those interests that the underlords in Montana were impelled if not compelled to become his zealous friends and supporters regardless of past differences or party affiliations. In the senate he had become the right-hand man of Aldrich and a trusted representative of President Taft. The power of patronage, from government and corporation alike in Montana, were subject to his command. Press bureaus in Washington provided lavish praise of his public services and official renown to the combine press in Montana. When the political campaign of 1910

opened formally, conventions of both parties were manipulated in his interest with the aid of combine influence. Some independent candidacies were created where deemed to his advantage. He had determined two years before to appeal to the combine rather than the public. He had obtained everything available which he went after. All the bosses, all the organs, all the big corporations, all the beneficiaries of or seekers for patronage who trusted to power were for him. His support was too strong, his policy too plain, his corporate henchmen too zealous, his indifference towards the people too obvious. This one indifference in so much distinguished consideration became conspicuous. It was realized and rebuked at the polls.

In all the campaigns of Montana history there never before was such glaring use and abuse of corporate power in the selection and election of candidates as was exercised in the contest of 1910. Combine control of political agencies and influences appeared complete. New legislation secured in 1909 had given the interests new corporate powers and new influences. Some of the managers were intoxicated by success, and some by excess with more plebeian stimulant. Beyond the desire to re-elect Carter there was incentive for activity in opportunity to defeat a rival, with preeminent ability and qualifications, who had not only retained but exhibited independence of combine influence. Mr. T. J. Walsh of Helena, despite corporate opposition, had attained leadership in the democratic party organization and had developed such popular strength as to make him the strongest candidate against Carter for a seat in the senate. He was not only a progressive democrat in advocacy of principles and policies, but an aggressive advocate in court who had refused an annual retainer from

the copper combine and successfully prosecuted actions for individuals against corporations. The work of selecting legislative candidates in republican counties who would be for Carter and the combine, and of choosing democratic candidates in democratic counties who would be for the combine and against Walsh, with subsequent efforts to elect republican legislators from democratic counties and Carter legislators from republican counties, involved a task not too intricate for the political mind of the corporate organization with the managerial abilities of Managing Director Morony. Incident to this, there was the amusing diversion of vindicating corporate power and feeding the Morony grudge by attempting defeat of a number of legislative candidates who had incurred the supreme wrath in Montana by foolhardy opposition to legislation wanted by Ryan and Morony from the last legislature. There were some unforeseen contingencies and partial failure. But it is due to Mr. Morony and the interests which he represented to note that no results were attributable to neglect of the combine interests in efforts to select and elect all the public servants necessary to the enterprise undertaken.

In Deer Lodge county, which under normal conditions would be strongly democratic, a solid delegation of seven lawmakers, representing a total population of 12,988 people by the census of that year, was elected on the republican ticket to vote, as they did, for Mr. Carter. Here was a county wherein almost everybody is dependent upon combine employment for existence, and where the boss power is not only absolute but mercilessly exerted. In this campaign prominent democrats employed by the company, like Mr. Martin Martin, secretary to General Manager Mathewson, worked openly and faithfully for the republican aspirants. It must be admitted

that, by the power of dishonest representation and legislative apportionment, here was a fine start for Mr. Carter, made by Mr. Morony, as compared with one vote lost to Mr. Carter through the revolt of the people of the agricultural county of Yellowstone, ordinarily overwhelmingly republican, and where a population of 22,944 people had a representation of only one senator and one representative under the legislative apportionment then in force. The combine forces scored again when Jefferson county, with a population of 5,601 people in 1910, and with a customarily safe democratic majority, was able to send three out of a possible four of its representation to support Carter, as an offset to the slump in the banner republican "cow county" of the state, Dawson, which had a population of 12,725 and was able to rebuke Carter with only one vote lost by electing a democrat as its sole house representative under the unequal apportionment. There was combine triumph in double measure at Butte, which is practically all of Silver Bow county. The county has twelve representatives and one senator, and a normal republican vote in general elections of from 3,000 to 5,000 out of a possible 12,000. Here the combine managed to elect one republican representative for Carter, together with that half-dozen servile tools or employees of the Amalgamated Company, as democrats, who furnished the vote in a democratic legislature to create a dead-lock and prevent the election of Mr. Walsh. In Cascade county, where the combine interests own smelters, and water power plants, and townsite company, and hotel and banking business, there also was comfort for the combine managers in republican gains.

With holdover senators, Carter republicans and corporation democrats, Wall Street directors retained con-

trol of the Montana legislature and defeated Mr. Walsh. The citizens of Montana defeated Mr. Carter and gained new confidence in the power of the ballot. The attempt to discipline men for political independence in official action was vigorous but not successful. In Madison county Mr. M. M. Duncan, who, as a representative in 1909, refused the request of Lobbyist Fred Whitesides to introduce a bill for an act increasing corporate powers in the state, for the given reason that the scheme was "too dirty", notwithstanding assurance that "Ryan and Morony want it," became a candidate for the state senate. Mr. Morony visited Madison county in person to issue his ukase against the election of Duncan, but Duncan was elected.

In Carbon county, where the combine has important coal mining interests, Mr. W. F. Meyer was a member of the state senate. In the Heinze-Amalgamated conflicts, Mr. Myer had been an efficient supporter of the Amalgamated Company, like the majority of republicans at that time. In the session of 1909 he talked and voted in the senate against the dangers in the bill increasing the rights and powers of the Amalgamated corporations within the state. In return Mr. Morony, at a Helena hotel, gave assurance to Mr. Meyer that he would camp on Meyer's political trail as long as he lived. In the campaign of 1910, Senator Meyer devoted much of his time to support of the candidacy in Carbon county of Mr. John N. Tolman, a progressive and avowed anti-Carter republican. Mr. Tolman was elected, defeating for re-election Representative Pierson, an attorney for the combine interests in Carbon county and a cheerful supporter of combine measures and methods in the legislature. Senator Meyer and Representative Tolman were able, with the co-operation of a few other republi-

cans, to prevent the possibility of the election of Carter with the votes of the Amalgamated "democrats" from Silver Bow county—a plan of action so much discussed and known that it was predicted in press dispatches sent from Butte and printed in metropolitan papers in Washington and elsewhere early in the legislative session. Doubtless the corporation interests might have procured such a result but for the certainty that republicans like Mr. Meyer would not tolerate it and that the majority of the democrats would send protest to Washington likely to furnish a repetition of the Lorimer case, at that time in full light of first public exposure. In Fergus county, reliably republican as a rule, the anti-Carter-combine sentiment became so evident in the campaign that word was sent from combine headquarters that Mr. Thomas Stout, a democratic candidate for the senate and a Walsh man, must be defeated. An edict was issued to employees of the "Milwaukee" railway company to promote the end desired. Mr. Stout was elected by a handsome majority after an open fight against the bosses. With him went another vote against Carter from this republican agricultural county in the election of one democratic representative to the house.

When the legislature met in 1911 and a vote for senator was taken Mr. Walsh had a clear majority of the votes of the majority party on joint ballot. He was defeated because a dead-lock was created by the refusal of ten democrats to sign the call for a party caucus or an agreement to be governed by its actions. On party lines the legislative forces were divided with 53 democrats and 49 republicans on joint ballot. Of the democrats who refused to sign the caucus call, eight were from Silver Bow county and all were mere servants of the combine interests. Representative Roy S. Alley, sec-

retary and confidential man for President John D. Ryan was one, and another was Senator Harry Gallwey, for years a mine manager for the company and a trusted political lobbyist at Helena before he was elected to the senate. The dead-lock was prolonged till late in the last day of the session, with apparent purpose either to create a situation whereby Mr. Carter could be "put across" or to compel adjournment without election and postpone action till the campaign of 1912 when republicans would be compelled to sacrifice Senator Dixon as well as Senator Carter by returning a democratic legislature. The Walsh forces met the claim of combine agents that they were opposed only to Walsh by voting for a number of prominent democrats during the joint session on the last day. The responsibility as well as the odium for the deadlock situation was thus brought so directly to the corporation managers that they sought and found relief in breaking the deadlock by supporting Henry L. Meyers when his name was presented by the Walsh people. Meyers had been a Daly man in the feudal times and joined with Whitesides in the sensational exposure of the Clark campaign, where \$30,000 was handed up to the speaker's desk as the alleged price of three votes. Myers had for several years been a district judge in Ravalli county, and had become so wholly forgotten in political events that J. L. Dobell, editor of Mr. Clark's Butte Miner, voted for him with the others in ignorance of his real identity. Following this result, combine publicity agents endeavored to make it appear that it was an Amalgamated victory, and even that it had been pre-arranged. The truth was that the action of the deadlock makers was taken to save the political faces of the combine-Carter forces, and incidentally to embarrass Dixon two years later by the presence of a United States

senator in a county adjoining his own. Another truth was that in Mr. Myers the combine had "caught a tartar". Corporation agents arranged an elaborate banquet for Senator Myers, with the enthusiastic aid of his delighted neighbors and friends at home. John H. Durston of The Anaconda Standard was made toastmaster, and Senator Gallwey, Speaker McDowell, and other conspicuous combine representatives were given prominent part in the oratory. Shortly before Senator Myers was about to depart for Washington it became reported that Managing Director Morony had made appointment to meet Mr. Myers in Hamilton. Morony did go to Hamilton, and he met Mr. Myers. He met him in the lobby of the hotel, talked to him casually on subjects of no importance and left town, the entire proceedings apparently being taken to enlarge the grounds for claim that Myers was in harmony with combine plans and interests and that in his election there had been a combine victory. Mr. Myers had been a long-time friend of Mr. Walsh, had supported his candidacy, and the representatives from his section of the state had given unswerving support to Mr. Walsh until released by him. If Mr. Morony and his associates planned and played the election of Myers to fool the public, they were the most skillful actors of any age, because they deceived Mr. Myers with everybody else. He was the most surprised man in the state of Montana when his unanticipated election was announced. His post-election experience, apart from what interest its novelty may produce, is presented as evidence that corporation domination of Montana politics in 1911 had reached that point in perfection where an apparent defeat of corporate plans could be claimed as a corporate victory and the public be kept in doubt in respect to the truth; regardless of a

long, honorable record and the positive assurances of the most competent witness on earth that Mr. Myers was and would continue to be a representative of the people of the state and not of any special interests.



## The Selection of Judges and the Direction of Courts

### PART I.

Oh that I dared  
To basket up the family of plagues  
That waste our vitals; peculation, sale  
Of honour, perjury, corruption, frauds  
By forgery, by subterfuge of law,  
By tricks and lies—  
Then cast them, closely bundled, every brat  
At the right door!

—William Cowper.

The state of Montana has as complete and admirable a system of courts as any state has devised. It was provided for in the organic law of the state and perfected by subsequent legislation and public generosity. The people of Montana have great respect for courts. In almost every county the finest and most costly structure is the home of the courts. The judicial branch of government, with its various officers and incidental expenses, costs the taxpayers more than any other. In its comparatively brief existence this young state has developed a considerable number of capable and upright judges, many eminently able advocates at the bar, and a few honest lawyers. Among the numerous excellent provisions of the constitution of this state there is one which declares: "Courts of justice shall be open to every person, and a speedy remedy afforded for every injury of person, property or character; and that right and

justice shall be administered without sale, denial or delay." In Montana, upon occasion, may be heard that familiar phrasing of words expressive of noble sentiment, "For Justice all place a temple, and all season summer."

Unhappily, for people in need of Justice, there have been long periods of time in Montana when ignorance of the constitution, unscrupulous lawyers, fear of Justice, ignoble or avaricious sentiment, and shameless criminals, have had place on the bench in both high and low courts—safeguarding lawlessness instead of administering law.

Happily, some of the more contemptible of the influences degrading justice in public opinion have been removed, and self-respect of citizens is compelling a better respect for courts among judges and court officers. It is no longer possible, even in Butte, to see a district judge loaded into a vehicle, like a sack of malt, from the front door of a grog shop, to be conveyed to his seat on the bench for the purpose of handing down ready-made judgments as products of his own maudlin mind; a spectacle witnessed less than ten years ago in the metropolis of Montana. The laws have been changed so that judges are not only relieved from obligations to party influences for nominations or elections, but the names of all judicial candidates are placed together in a column reserved for them on the official ballot, as non-partisan candidates, and the name of no candidate for any judicial office is allowed to appear elsewhere on the ballot. This change further has relieved people who do respect the courts, by putting an end to the practices of former campaigns wherein some candidates for the supreme court of the state have sought votes as stump speakers, with partisan harangues or with funny stories

more becoming to the bar room than the bench. Such faults were too conspicuous and too grievous to endure against decent public sentiment and the disgust of jurists and practitioners with reputation to protect or pride of profession to maintain.

Many chapters might be written with authenticated facts about disgraceful practices by bench and bar, and of frequent miscarriage of justice through lawless procedure by men sworn and bound by every obligation of honorable manhood to regard and enforce the law; all outgrowth of the fierce conflicts and rivalries during the first dozen years of statehood. Most of these already are of record available for any useful purpose which they can be made to serve, and may well be left to oblivion as irrelevant to this history. While wholesome public sentiment and reputable practitioners have accomplished much for the betterment of judicial character and judicial freedom, new lawless enterprise, with sinister design and subtle method, has ventured in behalf of big business to deprive the citizen of his last defense by polluting the sources of justice. Montana has no monopoly of this misfortune. Court reports and current news of events in political and legal practice for many years—not to mention notorious decisions and impeachment proceedings of quite recent times—demonstrate that no states and few courts are wholly free from it. In this, as in other features of misrule, the Treasure State is made notable through subjection by one corporate combine. The facts and experiences and proceedings told of in this chapter are submitted in evidence that—above specific provisions of state and national constitutions, and of state and national statutes, prerogatives of presidents and governors, popular sovereignty and suffrage, the rights of citizens in life and property—

the dominant power and influence in the selection of judges and in the direction of courts is vested in the organized influences and activities of the Amalgamated Copper Company and its kindred organizations.

It has been told in preceding pages how the copper combine conquered Heinze by securing new laws to regulate and limit the jurisdiction of district judges, and how it defeated judges controlled by Heinze with judicial candidates nominated and elected by its own influences. Conceding that these changes were necessary, and supported by good citizens as well as by corrupt agencies and influences, to cure intolerable evils, the precedent, like many another precedent in pursuit of justice, has been followed under different circumstances and conditions to defeat justice. Mr. William Scallon was not the only counselor at law with recognized abilities and good character who has been impelled to leave the state or retire from practice as a result of monopolization of business in and out of court by combine interests. It would be slight, if any, exaggeration to say that at the present time there are few attorneys of first rank in any of the principal cities of Montana who are not under obligations for employment by the Amalgamated Company or its allied organizations. Conspicuous among the most distinguished of the profession who retired from it or left the state was Mr. John F. Forbis, who did both. Throughout all the years and all the conflicts of individuals, of factions, and of corporations, which disgraced so many men and taught so many more dishonest trade, Mr. Forbis practiced his profession and played his part in public affairs—even many years as one of the chief members of the Amalgamated Company's legal department—and maintained a reputation for personal and professional integrity above so much as hint or suspicion.

from unscrupulous opponents. His name was synonym for honesty in public estimation. When he left Butte early in the year 1910, a farewell banquet was given in his honor which was attended by representatives of all parties, factions and interests. His address on that occasion, which reflected his long and varied experience in his profession, was a good-natured but pitiless arraignment of the practice of law in this country. Some brief quotations are presented here as pertinent descriptions, from qualified authority, of conditions in legal practice which make possible and promote the still worse conditions secured by special interests which are described later. In the course of his address Mr. Forbis said:

"Under the case constructions of the constitution, what was intended as a castle of defense has become a prison. The hordes of greed, oppression and selfishness have laid siege to the structure which was intended to exclude them, and now the people find themselves so beleaguered within their own fortress that no excursions are permissible beyond its narrow confines. What was intended as protection has become a limitation."

"There is probably not more than one man in his generation capable of writing upon the law, and yet by the legal system it is assumed that every man called to a judicial position is a Daniel come to judgment. Is it any wonder that the law grows narrower, more technical, and less humane? But I hear some brother ask, How are judges to be restrained and made to do by one as they have done or would do by another? I answer you that judges are too much restrained. In our efforts to bind the judges, we have bound the principles they represent. We have taken from the judges so completely all moral obligation and responsibility that no one knows when they are acting conscientiously. A judge can find

in the cases authority for any action he may feel like taking, and though he may be wrong—palpably wrong—he yet can say ‘Thus did I read and construe the law’. And we all know that this is a perfect answer, for lawyers themselves cannot agree as to the law.”

“Bring the judges nearer to the people, so that every-one may see them and judge them; so that they will not be hidden behind a pseudo-science which no one un-derstands, and then make them responsible for their acts, as other officials are. Under such conditions judges would be careful to judge correctly, lest they themselves be judged.”

“Burn the reports, every one of them, and let there be no more legal reports forever. What are they but the opinions of 10,000 minds; many small; many technical; many ignorant; many prejudiced; a few corrupt, and a few, a very few, great. What a waste—of paper. And when they shall be burned, by the great light of the con-flagration, have broad minds study the principles of the law and write so much of them as may be thought neces-sary, indelibly and plainly, upon the statutes, so that he who runs may read, and forever after make it unlaw-ful for any judge to write for record an authoritative opinion construing the law in any particular case. Let there be commentaries upon the law then as now, but let them be only the individual opinion of the author—effective only so far as persuasive. Let there be no au-thority binding upon the courts save the one supreme law as written and the other the unwritten and unde-finable law of right.”

“What litigants, especially honest litigants, want is an honest man of brain and blood and heart upon the bench. He should be human like themselves, a man who knows what justice is without having to borrow the

knowledge. Such men are numerous in every community, and this kind of a man would be just as ideal upon the bench as in the common walks of life. We all know men with whom we would entrust our property or our lives. Think you such men would betray a judicial trust? Is there any question of honest dispute which you would not submit to a man of this kind off the bench? Think you his heart or intellect would be perverted through judicial office? How refreshing it would be to draw from such a source a real human, natural judgment. It might not be different from what we get nowadays, but it would have the freshness of natural bubbling springs, and not the suspicion of stagnancy that comes from artificial reservoirs."

Mr. Forbis talked of the faults in the practice of his profession and rightly exonerated judges and others who were victims of a system. And he pleasantly anticipated that his suggested remedies, if given a passing thought a day later, would "be like the memory of a troubled dream."

While it is more difficult for the combine interests to select judges and to elect them when they are nominated by petition and obliged to appear apart from partisan nominees on the election ballot, it is not quite impossible to achieve such a result. In a multitude of attorneys it is easy to find men who can be persuaded to become candidates for the bench; and, if a corporation which has an abundance of employment for attorneys off as well as on the bench does the persuading, it is not more difficult. In this way the geographical argument and the locality influences can be combined with the personal strength of individual candidates to divide the popular vote. The combine support can be concentrated in the interest of the combine's favorite candidate. The

combine-ruled public press can assist greatly in confusing the public mind and concealing the combine purpose—and the result is as you see it. The political machinery and organization and influence which can regularly give majorities to republican candidates for president, elect democratic candidates for governor, and maintain combine control of both branches of every legislature regardless of the political affiliations of the majority of the membership, while keeping the voters quite evenly divided by party lines and intently interested in the discussion of alleged party questions which have no connection with or influence upon affairs in Montana—such powers cannot be made impotent for combine uses in judicial campaigns by a mere changing of the rules of the game to deprive candidates of partisan nominations, and by a rearrangement of their names on the election ballot. To show that the combine managers or agents can select the successful candidates for judicial positions does not show that they do it. Judicial decisions almost uniformly favorable to combine policies and purposes and interests and lawlessness do not show it; because, quoting again the trustworthy attorney for the corporation, "We have taken from the judges so completely all moral obligation and responsibility that no one knows when they are acting conscientiously", and the judge with authority of precedent for any action may be "palpably wrong" and yet can say "Thus did I read and construe the law." Moreover, this conclusion by the learned counsel plainly was concurred in by the more epigrammatic and not less truthful and observant Col. Sanders when he informed a client, who asked for the law applicable to a certain question, "The law in Montana is the last guess of the supreme court".

Avoiding what members of the honorable profession of the law might be pleased to characterize as surplusage

of mere circumstances, specific instances may be given where judges were selected without the aid or consent of the people and unmistakably in consideration of combine interests and influences. In 1911 the legislature by enactment authorized an additional judge for the Thirteenth judicial district of Montana, ostensibly to meet the needs of the people of Yellowstone county, which contained more population and lawyers than all the remainder of the district. The bar association of that county recommended Mr. M. J. Lamb, one of its members, for appointment to the position. Governor Edwin L. Norris appointed Mr. George W. Pearson, of Carbon county, to the place, with a public explanation that Mr. Pearson would remove to Yellowstone county, the sitting judge in that district also being a resident of Carbon county. Mr. Pearson had been a member of the last previous legislature. As a legislator he had advocated and voted for a measure notoriously designed to extend the powers and special privileges of the dominant corporation. Also he had served the interests of the same corporate organization as an attorney in his home county. In 1910 he was defeated as a candidate for re-election to the legislature by the people of Carbon county, after a campaign in which his service to the combine interests had been made a leading issue. Governor Norris was famously faithful to the same interests in every emergency. If there was any other reason, than that involved in preference and influence of combine bosses, why the candidate from the wrong locality, with the poorer endorsement from the district, was selected to be judge on this occasion, the fact was not made a part of public knowledge in the face of public criticism.

A more notable case of corporate combine interference and influence in the selection of a judge, for a more

important position, where the power of appointment to be influenced was vested in the president of the United States, was of even more recent occurrence. In the summer of 1911 Judge Carl Rasch resigned his office as judge of the United States court for the district of Montana, to form a partnership with the chief attorney in Montana of the Northern Pacific Railway Company. The names of half a dozen or more reputable judges of state courts or practising attorneys were discussed and published as of available candidates to fill the vacancy. Early in the fall the bench of the court was vacant with some cases of large importance pending and with a considerable number of federal prisoners confined in jail awaiting trial for various alleged offenses. The contest for the position developed a situation wherein Judge E. K. Cheadle, of Fergus county, was credited with endorsement by more Montana lawyers than all other candidates combined, together with strong recommendations by United States Senator Joseph M. Dixon. On December 10, 1911, The Butte Miner printed a dispatch accredited to its Washington correspondent telling of opposition to Judge Cheadle in Washington. The following information was contained in that message:

"The burden of the complaint against Judge Cheadle is said to be that he is in favor of the initiative and referendum, a primary law and the recall of judges, all this having been called to the attention of the president following the recent visit to Washington of Attorneys L. O. Evans and Con. Kelley of Butte, and after a conference they had held with Judge W. H. Hunt of the commerce court.

"Protests against Judge Cheadle's appointment on account of his insurgency are said to be on file in the department of justice from Dr. O. M. Lanstrum and Thomas A. Marlowe, both of Helena.

"It is alleged Judge Brantly took occasion to tell President Taft about Cheadle's attitude on the recall question during his recent visit to Montana. Jack Waite has endorsed Judge Cheadle individually, but not as the republican state chairman.

"Senator Myers says he is taking no part in the controversy, but asserts that he has endorsed Pigott for the place, and Thomas A. Marlowe has filed a letter suggesting that Mr. Pigott's appointment would give satisfaction.

"Judge Hunt, who at the request of the president has submitted to him a statement regarding all candidates, is favorably disposed toward Judge Pigott. Representative Charles Pray is holding aloof."

Mr. "Con." Kelley at that time was chief of the legal department of the copper combine at Butte, and Mr. L. O. Evans was next in rank to him in the same department. O. M. Lanstrum was a "Poohbah" of corruption for the same interests, and Mr. Marlowe was his "fidus Achates". Judge Brantly was chief justice of the supreme court of Montana, and Judge Cheadle had been a candidate against him. Mr. Waite was a neighbor and personal friend of Judge Cheadle, and the political chum of the combine managers of the party machine. Senator Myers was the democrat who succeeded Senator Carter. Mr. Pigott was a democrat, a distinguished lawyer, and reputable citizen, who had served on the bench many years before. Congressman Pray was "Everybody's Friend".

The judicial mind of President Taft apparently was perplexed by these conflicting recommendations. For more than four months the vacancy on the bench continued. The contingent of untried prisoners in jail increased, and parties to civil actions waited for that

"speedy remedy" assured by constitutional guarantee. In January, Judge William H. Hunt, of the commerce court in Washington, travelled all the way to Montana apparently for the purpose of relieving the more urgent demands for a session of the federal court. Much of his time during the brief stay as a judge was given to hearing a case in which the copper combine people were interested parties. He visited Butte, and went back to Washington. Dispatches from the national capital to Montana papers announced that Judge Hunt upon his arrival there made a report to the president upon the matter of the federal judgeship and had recommended to the president the appointment of George B. Bourquin, formerly district judge in Silver Bow county. Judge Cheadle, a week before, had sent to Senator Dixon a letter withdrawing his name from consideration in the matter of the federal judgeship. Early in February, 1912, Judge Bourquin was appointed by President Taft to be federal judge for the district of Montana. Judge Bourquin served one term as district judge in Silver Bow county, being elected when the Amalgamated Company succeeded in breaking Heinze's control of the courts in that county. He was not reelected, but his retirement was not due to matters connected with his conduct as a judge. He was a capable lawyer, something of an orator, and a zealous partisan in political affairs. In 1910 at the republican state convention held in Missoula, Senator Dixon had been selected by the managers to be permanent chairman, "in the interests of harmony". At the last moment the bosses became apprehensive of the result of placing an avowed progressive republican in the position, and Judge Bourquin was selected to preside in his place. It was a convention made up largely of progressive republicans and manipulated by combine

agencies to promote the candidacy of Senator Carter for reelection. In his address to the convention, Judge Bourquin said, among other things:

"There is our republican administration to be approved. Its merits deserve it. And unless you approve you cannot defend, and unless you defend you cannot ask the people to trust us further. The main issue is whether we shall do our part to elect republican congressmen and senators, to the end that they may perform such of our platform pledges as are yet unfulfilled, or whether we shall deliver house and senate to democracy, stamp failure on the balance of President Taft's administration, and clear the way for a democratic president in 1912 and all the proven attendant evils of democratic incapacity and misrule."

In his own confirmation by the senate, as a member of the commerce court, Judge Hunt furnished an example of the exercise of copper combine influence in the selection of judges, and he had, by his opinion and decision, while federal judge in Montana, in the celebrated "Smoke Case", furnished illustration of similar influences in the direction of courts, as will appear more plainly in a later chapter. The letter to Senator Dixon by Judge Cheadle, withdrawing as a candidate for the federal bench, is presented herewith; further to illumine the influences and arguments which assisted the president of the United States to a tardy conclusion in selecting a judge for a life term, without power of recall, in the state of Montana:

"Lewistown, Mont., Jan. 22, 1912.

"Hon. Joseph M. Dixon,

"Washington, D. C.

"Dear Senator: After giving to the matter of a successor to the Hon. Carl Rasch as United States district

judge for this state more earnest and careful thought, I am led to definitely request that you at once withdraw my name from further consideration.

"In so doing I am not unmindful of the great kindness of your unswerving interest in behalf of an ambition which I hope I properly entertained of higher honors in my profession. I appreciate deeply and thank you most cordially for that interest, as I appreciate and am grateful for the loyal good will and support of many of my other fellow citizens in Montana.

"I am constrained to take this decisive step in order that personal ambitions of my own may no longer embarrass either the administration, yourself, or my other friends in this state.

"But in so doing I would not be true to myself, nor to my friends, nor to my state, were I to fail to notice and make suitable comment upon the character largely assumed by the opposition to my candidacy. I refer more especially to corporate interests which have spared no effort that ingenuity could suggest, nor mendacity inspire, to impugn the motives which have governed my conduct, both in my private life and in the discharge of my official duties. Insofar as these hostile corporate interests have had individual support from this state in this matter, I am consoled by the reflection that it has been largely made up of those who have in secret heard their master's voice.

"These attacks upon me have, in a general way, concentrated upon the charge that, in my political opinions, I am "a dangerous radical". Upon that point let me say to you frankly that I have nothing to conceal, nor to apologize for. I have at no time harangued the public upon political topics, not having deemed that practice to be consistent with my judicial position. Both in private

conversation and in public addresses I have earnestly endeavored to keep wholly within the bounds of propriety. If, however, in these ways I have found myself in earnest sympathy with the great work inaugurated under Theodore Roosevelt while president, indorsed by the platform adopted by the last republican national convention, and vigorously contended for in his pre-election speeches by President Taft, that "radicalism" is one joined in by millions of my fellow citizens. I rejoice exceedingly that my point of view has enabled me to approve of and to applaud that sort of "radicalism".

"It has been charged, specifically, that I have declared myself as being in favor of the recall of all elective officials, including the judiciary. That is a wilful perversion of my well known position. What I have said, and what I here repeat and emphasize, is that if a majority of the people favor a provision of the law for the recall of judges, their will should prevail. I am not afraid for myself, nor timorous for other judges, to trust to the sound sense and patriotic judgment of the masses of the American people upon this, or upon any other issue, fairly presented to them. If they are unfit to take away, they are as unfit to bestow, judicial honors. I have little sympathy for the view of those of my profession who are wont to describe an American verdict at the ballot box as "mob rule". The voters of our country are the sons of the fathers who made this nation great, and rich, and powerful, and respected; and they are the ones who must be trusted to maintain it so. In my humble judgment it would be as safe to entrust to the people of Montana the making and unmaking of judges as to leave it in the hands of No. 26 Wall Street. I am reminded, too, in this connection, that the one dominant note of the whole administration of President Lincoln, and to which

his acts, public and private, were set, was this: "Trust the people".

"In all my judicial experience I have scrupulously upheld the rights of property. I have no further purpose or thought of any differing rule of conduct. If, however, it be "radicalism" in me, upon suitable occasions, to have held that the maintenance of human rights is the very and the only basis which makes it possible to enduringly secure property rights, then I plead guilty. Important as the duty of preserving property rights may be, it is just as important to keep ever in mind that the health, and the wellbeing, and the liberty of the average man, woman and child of our country is the nation's most valuable asset, and it should at all hazards be made the most enduring one. In this attitude I have the satisfaction of believing that I am in most excellent company.

"In now ending, for the present occasion, what I have to say with reference to the charges so persistently thrust upon the attention of the administration at Washington, and which have portrayed me as a dangerous character, I derive no little gratification from the reflection that my neighbors do not so consider me. I have lived in this judicial district continuously for nearly 20 years; from here I enlisted in the Spanish-American war, served in the Philippines, and to this locality I returned when the war was over. Since that time I have been elected to the district bench for three successive terms, twice without a candidate having been named against me. For these sufficient reasons, not all the enmity nor opposition of those who have evidently had purposes which led them to fear that in higher judicial position I might earn something like a similar measure of public approbation, has in it any sting for me.

"Again thanking you, and all the other good friends  
who have shown me so much kindly consideration, and  
with sincere personal regards, I am,

"Cordially yours,  
"E. K. CHEADLE."



## The Selection of Judges and the Direction of Courts

### PART II.

Among the instruments and influences employed by corporate combine for the direction of courts in Montana, these may be accounted useful: Judges selected by combine agencies; special legislation in combine interests; juries chosen from among combine employees or beneficiaries; newspapers edited in harmony with combine policies and purposes; subordinate court officers selected with combine support; an elaborate legal department with many high-salaried attorneys retained by the year, and many others employed for special service on occasion; unlimited means for the employment of high-priced experts and special witnesses, and for protracting litigation and tiring out or bankrupting adversaries; individual fear of demonstrated superiority of combine power; regularly employed detectives or spotters to assist the legal department with information respecting other people's affairs.

A review of verdicts and decisions in the courts of Montana since Heinze was eliminated as a litigant would serve to convince the average mind that the copper combine either is extremely strong in the right or without good grounds in experience for apprehension of severe punishment from the courts for wrong doing. But it is not always, or most frequently, that the influence of special interests in the conduct of court business is mani-

fested in final verdicts or decisions dealing with the real questions at issue. There are times when men engaged in combine business may find great benefit in close relations with court officers, and thus indirectly may direct the courts to non-action rather than when in action. An instance indicating such a situation, as well as the long reach of copper combine influences, is afforded by an editorial article in Collier's National Weekly in April, 1910, which reads:

"Announcement has been made, not only through the daily newspapers, but through responsible financial periodicals, that the Amalgamated copper interests are about to form another gigantic copper combination with the Morgan-Guggenheim interests. Announcement has also been made that the recent Standard Oil and American Tobacco Company decisions have caused this combination to be deferred for the present. Notwithstanding the latter announcement, all arrangements are being perfected for the proposed amalgamation. The Guggenheims, against the bitter protests of minority stockholders, are carrying out their part of the bargain by consolidating and watering the stocks of their copper properties. The Amalgamated Copper Company is at work on the same lines with its various properties. Other plans are afoot that lead us to the belief that assurances have been received which have nullified the effect of the Standard Oil decisions. These combinations are always floated under the influences of a strong bull market. Certain newspapers which periodically publish inspired utterances are engaged in the game of boosting coppers.

"We can all still remember the bitter lesson of the formation of Amalgamated—its train of suicides, bank defalcations and wrecked lives. Is the story about to be repeated? Have any assurances of immunity from Wash-

ington been received by the promoters of this combination? If not, we ask the attorney general of the United States, in all seriousness, why this proposed illegal combination cannot be enjoined. The names of the promoters are well known. Ample proof of their designs and plans may be had. Must the country await the slow process of prosecution after the law has been violated? If one citizen threatens the physical injury of another, he is put under bond to keep the peace or placed under restraint. Why not restrain by injunction this open threat of violation of law? If the oil, beef, and tobacco trusts had been enjoined, the trust question would have been solved long since. At least we would have known by this time the anti-trust law was law or delusion."

The reader will meet with Attorney General Wickersham again in this chapter, with information that may serve as a partial answer to some of Collier's pointed questions. First let a few proceedings be recalled showing how results have been obtained through devious ways by directing courts. In 1903 the Heinze-Amalgamated war in Montana was being waged most intensely. At that time Heinze's imitation combine named and bossed the district judges in Silver Bow county, and the Amalgamated Company had not conquered public sentiment or destroyed public prejudice, so political party judges in the higher courts might well entertain honest doubts respecting popular judgment however certain they might be in their own judgment with regard to questions affecting the combatants. At that time the Montana code made no provision for change of venue in civil cases. Heinze representatives had secured small stockholdings in constituent companies of the Amalgamated organization, and had gone into district court in Butte and asked for the appointment of a receiver to take control of some

of the best productive properties, on the ground that their interests as stockholders were in jeopardy through possession and management of the properties and business by the Amalgamated company. The Amalgamated attorneys sought to have the action removed from Heinze's Butte judges by an application to the supreme court for a writ of supervisory control—in short, asking the higher court for protection against the arbitrary ruling of judges under Heinze's control. On June 29, which was the day when the case was set for hearing in the district court at Butte, the supreme court was unanimous in denying the writ, and very much divided in reasons for the denial. The announcement of the denial was made in open court and, as quoted in *The Butte Miner* of June 30, 1903, Chief Justice Theodore Brantly said:

"In causes numbered 1962, 1964 and 1965, being applications to this court for writs of supervisory control to prohibit the court of the Second Judicial District, with Judge Clancy presiding, from proceeding with the hearing of the certain causes set for trial in that court, in which the Boston & Montana company, the Anaconda Copper Mining company and the Washoe company are parties, the questions involved having been submitted to the court under motions to dismiss on the ground that this court has no jurisdiction, after as careful an examination as we have been able to give to the legal question involved during the brief time we have had at our disposal, the court has reached the conclusion that it cannot interfere.

"I wish to say on behalf of myself, that my view of this matter is this:

"The people of this state organized their government; the scheme of that government is contained in the legislation of the state. It is not the province of the court to

mend or remedy the imperfections, if any exist, in that system of government. There are certain matters which have been reposed finally in the honesty and integrity of certain individuals who hold official positions under the government. Among these are disputed questions of fact and other matters of that kind, lodged in the discretion of the district judges.

"The legislature has deemed it wise to be silent upon the subject of bias and prejudice in district courts, thereby leaving it to the honesty and integrity of the individual judge to perform his duty under his oath in that regard. If that is an imperfection then this court has no power to remedy it. The legislation impliedly leaves to the legislature the power to determine what shall be the disqualification of judges, when changes of venue shall be had, and matters of this kind. It is silent on the subject of how there shall be a change of judge under certain circumstances, and this court has no power to legislate by declaring what should be embodied in the organic law or in the statutes and act on that legislation.

"I do not assent to the proposition that a man, even the humblest citizen in this state, has not the legal right to a fair and impartial trial. Every citizen has that right, but the remedy is not provided for cases in which that right is not accorded by district courts, except by impeachment of the judge who refuses it, or by discipline at the polls, or through the medium of disbarment proceedings."

Associate Justice George R. Milburn said:

"I join in the order denying the relator's petition, for the reason that I am not convinced that under the facts alleged in the petitions the writ of supervisory control is the right remedy, if there be any, and not being satisfied I therefore join in the order. I do not wish to be under-

stood, however as saying that in the state of Montana, the law is as claimed by the respondents, that a judge can lawfully sit on the bench in a criminal case and try John Doe or Richard Roe for murder of the judge's wife, or for highway robbery committed upon him, the judge—that is the position taken by the respondents in this case. I do not believe that is the law, but I am not convinced by the relators that the writs of supervisory control should be issued in these cases. I believe they have a remedy; I believe the remedy is statutory; in this my brethren do not agree."

Associate Justice Holloway had been recently elected, after bitter opposition by the Amalgamated forces, because after receiving the nomination of the Republican party he had accepted the endorsement of Heinze's independent political organization. He concurred in the decision, but from the published reports appears not to have deemed any explanation necessary.

Within eight months after that decision by the supreme court, Judge Clancy had declared the Amalgamated Company an outlaw in the state, that company had secured a special legislative session and the enactment of a change of venue law, and the same supreme court had set aside Judge Clancy's decision with no apparent consideration of "disputed questions of fact and other matters of that kind, lodged in the discretion of the district judges".

There are numerous cases, also, where findings of fact by juries, respecting damages from loss of life or limb by workmen in corporate employment, have been arbitrarily set aside by Montana courts as excessive; and in some cases the injured man or his widow and dependent children have been given and have accepted reduced sums, fixed by the dictum of the court as an alternative

to the delay and expense of a new trial and the uncertainty of another verdict.

In 1903 the Amalgamated Company was defending its own existence in the courts of Montana, state and federal. In 1910 it had defeated or absorbed all adversaries or possible dangerous rivals in business in Butte, and its elaborate organization and influences were being exercised in court proceedings to enable it to acquire new and valuable properties on favorable terms, an argument in trade which has been aptly described in Montana as the threat of judicial confiscation. It was that which was the real menace to Heinze. It was that which was held before Mr. William A. Clark, with preliminaries arranged for court actions to test his title to properties which he had owned and operated without question or dispute for half a lifetime. Mr. James A. Murray found himself facing it with an injunction which compelled him to suspend operations in a property which he had held for years. The Tuolumne Copper Mining Company developed their profitable enterprise in its shadow, met it, and by hard fighting secured a compromise and agreement which enabled them to continue their business of mining but under combine conditions which practically compelled them to have their ores reduced at the combine smelters. The Butte Balaklava Company, the last newly developed copper property of value in the camp, was assailed in like manner and its stockholders, at least temporarily, deprived of possible earnings from considerable parts of the ore bodies developed. All of these actions were of the kind with which Heinze had harassed the Amalgamated Company and for which he was bitterly and properly condemned by the combine people. Some of them were based on pretext of claims so trivial in comparison with the importance of the unquestioned rights

involved as to appear ridiculous to almost anybody excepting a combine attorney and his complacent aids. In the case of the Tuolumne Company, right of title to a large fractional interest in property with a market value of millions of dollars was based on a quit-claim deed purchased by Mr. John G. Morony, for something like \$5,000, from a party who had conveyed his interest by a document imperfect through error of the man who drew the document.

In March, 1910, representatives of the department of justice of the national government filed a bill in equity, in federal court at Helena, seeking remedy for injuries to vegetation and trees on government lands from poisons precipitated by smoke from the Anaconda Copper Mining company's smelters at Anaconda. The action was the outgrowth of investigation instituted by President Roosevelt on motion of farmers in the vicinity of the smelters, and resulted from inability by the government to secure relief or remedy, from evils ascertained and reported by government agents, without proceedings in court. Immediately the newspaper organs and the agents of the copper combine in Montana were employed in efforts to create public sentiment and to forestall results through misrepresentation of facts and of questions involved. In open contempt of court proceedings, and with offhand impeachment of official integrity of government representatives, Butte organs of the copper interests editorially prejudged and assumed to determine the case upon the same day that they published their first account of the bill of complaint. The special assistant to the attorney general of the United States employed in this action had been counsel for the complainant in a suit involving similar questions brought by the state of Georgia against the Tennessee Copper company

and decided by the supreme court of the United States against the mining company. This case against the copper combine in Montana never was prosecuted. There was no verdict. "There's a reason." In September, 1910, Attorney General Wickersham visited Montana. The way of his coming, the manner of his reception and entertainment, and the intimate relations between combine business, Montana politics, senatorial courtesy, and the federal department of justice, were told of in a communication by a Butte citizen to the editor of an independent weekly paper. From that communication the following interesting facts for this chapter were extracted:

"The recent visit to Butte by Attorney General Wickersham brought a new novelty to combine proceedings in Montana, and emphasized in public knowledge the methods and menaces of combine operations through political channels which reach out of Silver Bow county through Montana, and to the national capital. A message was sent out from Washington that Hon. George Wickersham, attorney general of the United States, was on his way from Alaska to Washington, and would visit Butte and Anaconda to investigate conditions connected with the government case against the copper combine based on alleged injuries from smelter smoke. This message was contemporaneous with another that John D. Ryan, the official head of the combine, was on his way to Butte. Later it was learned that United States Senator Thomas H. Carter would chaperone the attorney general during his visit to Montana. Senator Carter journeyed from Helena to Missoula and accompanied the attorney general to Butte, which city was reached Friday night, September 16. Senator Carter remained with Mr. Wickersham in the same hotel Friday night, ate breakfast with

him Saturday morning, accompanied him on an automobile trip through the national forest reserve and Deer Lodge valley Saturday forenoon, dined with him at noon at the timber camp of Lieutenant Governor Allen, dined with him Saturday night at the Montana Hotel in Anaconda, owned by the combine, went through the Washoe smelters with him Saturday night, came to Butte with him Sunday morning on a special train furnished by the railroad owned by the copper combine, went through mines of the combine in Butte with Mr. Wickersham Sunday morning, lunched with him at noon, remained with him at the Thornton Hotel the remainder of that day, was with him at a banquet given in his honor by John D. Ryan of the combine Sunday evening, until the attorney general took the train for the east. Messrs. John D. Ryan and Attorney Kelly of the combine legal department also were with the attorney general at the foregoing hospitable functions.

"This surely shows the great loyalty of our senior senator to Mr. Ryan and the corporate interests which he represents; because the United States through the attorney general has brought suit against the combine on account of injuries and damages to government forests and public interests through smoke fumes caused by the operation of the smelting plant at Anaconda.

"The keen interest and conspicuous part taken by Senator Carter with the combine officials in this visit by the attorney general is in harmony with the part which he played in former proceedings when the combine interests were resisting appeals to justice by citizens of Montana. The farmers of the Deer Lodge valley have for years been involved in an action to secure relief from damages from the same causes. They were sent out of the district court in Montana without even their costs, although

the court found that serious damage was done, and was a continuing damage. After the farmers first tried to settle their differences as individuals, they wrote a letter to the corporation managers agreeing to submit the entire matter to arbitration, and then waited several months before they filed their suit in court. The last motion they made in the local court was to submit the question of damages to arbitration and the lands to condemnation, all of which was refused after five years of litigation with unexampled expense and dilatory proceedings. Thus, we find the same threat of judicial confiscation against mining interests in Butte exercised against farming interests in the Deer Lodge valley. Then, as now, Senator Carter was found co-operating with Messrs. Ryan and Kelly, exercising official influence at his command in favor of the foreign combine and against Montana citizens. After the farmers had concluded their case before the master in chancery in the federal court and completed the largest record ever known in the judicial history of the country, the "Scotch verdict" against the combine made it necessary for them to appeal to the higher court in pursuit of justice and relief. Under the old law a transcript of the record would have cost 15 cents per folio, or about \$15,000. An act, timely enacted through the exercise of Senator Carter's senatorial influence, with reference to the Montana federal courts, doubled the fees and transcript of the record to 30 cents per folio, making legal a demand by the clerk of the federal court at Helena for some \$30,000 for a transcript on appeal in place of \$15,000 as it would have been under the law when the case was started. After the great expense which they had incurred in attempting to secure their rights of property in the lower court, the farmers were amazed and disengaged by this discovery of increased costs, and feared

that an appeal could not be perfected to the circuit court of appeals. Then it was that an application was made direct to the court of appeals. The facts here related were called to the attention of the judges, and the court of appeals made an order requiring the clerk of the lower court to certify the original record of all the master's proceedings in Montana without costs of transcribing; and thus, instead of paying \$30,000, as they would have been compelled to do under the combine practice and Carter legislation, they paid less than \$500 for perfecting their appeal.

"It is not presumed that Attorney General Wickersham came to Montana to be feted and entertained by the representatives of lawless combinations which he is called upon to prosecute in the enforcement of the national laws. The incidents are cited rather as an evidence of the humble courtesies made by combine agents when their interests are concerned with the danger of law enforcement without favor. If the action of the government against the combine was without foundation and without merit, does any one suppose that Messrs. Ryan and Kelly and Senator Carter would be wasting their valuable time and spending the money of their Wall street employers in entertaining public officials engaged in prosecuting a groundless suit? Is there not more than the significance of good fellowship in the fact that the head of the legal department of the national government was wined and dined and entertained by these gentlemen during every possible moment of his stay in this state, and kept under such close environment by them that he was practically under corporation escort from the time he left the train after entering Montana. These gentlemen appear to be almost as proficient in obeisance to power invoked by the public as they are in abuse of power when brought under their control."

The next step in this interesting proceeding came in May, 1911, when Attorney General Wickersham, for the United States government, entered into a stipulation with officers of the Anaconda Copper company whereby it was agreed that the government should not continue its prosecution of the company for damages to public forests or public lands from smelter fumes so long as the company should continue to operate its smelters in such manner as to meet the approval of a board of three mining experts whose services were to be paid for by the copper company at an extremely liberal rate for the work required. A board of three mining experts thus selected, and thus compensated, will not be likely, hastily and inconsiderately, to disapprove of the operations of the greatest mining combine in the country, in consideration of damage to timber on government lands or to crops or livestock on the ranches of impoverished farmers.



## Where Trial By Jury Is a Farce, and Why

In the early years of the existence of the copper mining combination which now dominates Montana, its business and property was the object of attack in the courts by rival interests captained by an adventurous and resourceful operator, proficient in the art of mixing politics with business to obtain special privilege and overreach his associates. Until after the year 1904, when the Heinze candidates for judicial positions were defeated in Silver Bow county, the Amalgamated Company people made continuing and just complaint that they could not obtain justice in the courts of that county. Besides the practical control of court officers by the opposition, there was an unmistakable and carefully cultivated prejudice against the big New Jersey corporation as an organization with monopoly control as its chief purpose. As this company acquired new powers through the absorption of other companies and the control of diversified interests, its managers and legal representatives adopted the influences and methods against which they had formerly protested and perfected the system of control to an extent incredible to those not made to know its power by use. The exercise of this power was not limited to defense or to protection against injustice. It was exerted mercilessly and without scruple to promote the acquirement of desired properties cheaply or dishonestly as opportunity offered. As new mines were developed in the district to the point of profit they were coveted by the combine managers, and a favorite way of securing them at the least possible cost was by deprecia-

tion of the property in value and by intimidation of the owners through attacks in court upon titles to mining claims or upon rights to mineral veins under the apex law.

The extreme helplessness of the average independent operator thus assailed was demonstrated repeatedly and each demonstration naturally served as an object lesson to assist in convincing other property owners of the hopelessness of combatting the big company in the local courts. At the same time all of the great influences of the great organization and the abilities of an extravagantly maintained legal department were employed to resist efforts to remove these court trials to districts beyond combine control. The complete mastery over men and conditions thus obtained is concisely and comprehensively described in the legal proceedings whereby a defendant mining company sought to remove the trial of its case to another court. This suit was brought in the name of the Anaconda Copper Mining Company against the Butte-Balaklava Mining Company to deprive the last named corporation of the right to mine certain veins of ore which it had developed within its mining claims. Counsel for the defendant company, in support of its effort to secure a change of venue, filed the following attested statement by Mr. James A. Murray, himself not a party to the suit, although defendant in a somewhat similar case involving properties of his own. With the single exception of Mr. W. A. Clark, Mr. Murray easily ranks first among Montana citizens as an individual possessed of great wealth. His responsibility is unquestionable, and as a pioneer of Butte who had fought his way to success with and against all the great conflicting influences known in the mining history of the town, his knowledge of the facts is not of hearsay character. Here

are the conditions which existed in the most populous county of Montana and in the metropolis of the state on the seventh day of August, 1911, as described by Mr. Murray under oath:

"JAMES A. MURRAY being first duly sworn says: That he is a resident of the county of Silver Bow and has been for 33 years; that the county of Silver Bow is a county of small territorial area, consisting primarily of the City of Butte and suburbs immediately adjacent, with an outlying territory sparsely settled; that within such outlying territory, there is a total of not to exceed 360 legal voters, in an aggregate of 12,256 for the said county as shown by the official returns of the general election for the year 1910; that the basic industry of the city of Butte is, and for twenty years last past has been, quartz mining—the principal ore mined for many years last past being copper; that the mines now being operated within said county of Silver Bow all lie within the said city of Butte, or in territory immediately adjacent thereto.

"That prior to the year 1910, the business of mining was carried on within said city of Butte and county of Silver Bow, by various companies, largely, if not entirely, independent of each other in their directorate as well as in respect to their stockholders, and that many of said companies employed large numbers of men, in a number of instances as many as one thousand or more, the successful conduct of mining in the Butte camp being possible only when conducted on a comparatively large scale, utilizing capital in very considerable amount, and employing laborers in very considerable numbers; and that prior to the year 1900, there was so engaged in carrying on the business of mining in and about the city of Butte and within the said county of Silver Bow, the plaintiff, Anaconda Copper Mining Company, the Washoe Copper Mining Company, the Parrot Silver and Copper Company, the Boston and Montana Consolidated Copper and Silver Mining Company, the Butte and Boston Consolidated Copper and Silver Company, and the Colorado Mining and Smelting Company; that at the same time and thereafter until about the month of February, 1906, a group of corporations generally known as the "Heinze companies" were similarly engaged in mining in the County of Silver Bow, and among others,—the Montana Ore Purchasing Company,

the Nipper Consolidated Company, the Minnie Healey Company, the Hypocka Mining Company, the Johnstown Mining Company, the LaFrance Copper Company, the Guardian Mining Company, the Belmont Mining Company and Corra-Rock Island Company; and that during the same period and down to about the month of June, 1910, another group of corporations known as the "Clark companies", acquiring properties from ex-Senator W. A. Clark and in which he is the principal stockholder, was likewise engaged in mining in the same region; that in addition to the foregoing, the Speculator Mining Company was likewise operating on a large scale in the Butte camp.

"That incidental to the mining so carried on by the said companies, the said Montana Ore Purchasing Company, the said Colorado Mining and Smelting Company, the said Parrot Silver and Copper Company, and the said W. A. Clark or some one of his companies respectively, operated within said city of Butte smelters, at which there were employed large numbers of men; that during the year 1899 there was organized by an association of individuals consisting of some of the leading stockholders of the plaintiff, and others closely allied to the Standard Oil Company, a corporation known as the Amalgamated Copper Company, employing and adopting the same business methods towards all opponents and competitors as has been heretofore employed by the said Standard Oil Company, the said plan and policies having been adopted by one H. H. Rogers, the first president and organizer of the Amalgamated Copper Company, who was a dominant factor in Standard Oil Company affairs, the purpose of which was to acquire a controlling interest in most, if not all, of the companies engaged in the business of mining and smelting in and about the city of Butte, with a view to place the same practically under one management; the said corporation was organized under the laws of the State of New Jersey in the year 1899, with a capital stock of Seventy-five Million (\$75,000,000.00) Dollars, afterwards increased to One Hundred Fifty-five Million (\$155,000,000.00) Dollars, and that the said corporation, prior to the year 1902, became the owner of a majority of the shares of the corporations hereinabove first mentioned, to-wit: The Anaconda Copper Mining Company, the Washoe Copper Company, the Parrot Silver and Copper Company, the Boston and Montana Consolidated Copper and Silver Mining Company, the Butte and Boston Consolidated Copper and Silver Mining Company, and the Colorado Mining and Smelting Company, and likewise became the owner of a majority of the shares of the

Hennessy Company, which then was, and still is, engaged in a general merchandising business in the city of Butte and which carries, and has, during all of the said time, carried a stock of goods largely in excess in quantity and value of the stock carried by any other mercantile house in the said city, and which does, and during all of the said time, has done, the largest merchandising business done in said city; that during all of the period hereinbefore referred to, a smelter of greater capacity than any other smelter in the state of Montana, has been operated at the city of Anaconda in the County of Deer Lodge, adjacent to the said county of Silver Bow, and distant from the city of Butte about twenty-eight miles, which said smelter is, and during all of the said period has been, as affiant is informed and believes, operated by the plaintiff, Anaconda Copper Mining Company.

"That prior to the said year 1900 there was constructed from the said city of Butte to the said city of Anaconda a railway, known as the Butte, Anaconda and Pacific Railway, by a corporation of the same name, the stock of which, during all of said period, has been owned, as affiant is informed and believes, by the said Anaconda Copper Mining Company, the plaintiff, and that by reason of the acquisition by it of the majority of the stock of the said company, the said Amalgamated Copper Company since it so became the owner of such stock, has controlled the said Butte, Anaconda and Pacific Railway Company and its operations.

"That during the said year 1900, there was in progress and had been in progress for some years theretofore, a spirited and bitter litigation between one F. Augustus Heinze, the principal stockholder and factor in the aforesaid Heinze companies, and associates of the said F. Augustus Heinze and his said companies on the one side, and some or all of the companies, the majority of the stock of which was, as aforesaid, acquired by the said Amalgamated Copper Company, on the other side, and that the said litigation continued with undiminished vigor and bitterness until sometime in the year 1905, or thereabouts; that the said warfare between the said Amalgamated Copper Company and its subsidiary companies on the one side and the said F. Augustus Heinze and his companies and associates on the other, was carried on not only in the courts of Silver Bow and other counties within the State of Montana, and in the Federal courts for the district of Montana, and the courts appellate thereto, but was likewise carried into the political life of the state and into its legislative and executive activities,

and that the lines between the contestants were made manifest in the business and social world as well.

"That at the general election held in the month of November, 1904, the judicial ticket in Silver Bow County, supported by the said F. Augustus Heinze, having been defeated, he entered into negotiations with the said Amalgamated Copper Company for the sale to the said company or some one in their interest or associated with them, of all of his properties in the said county of Silver Bow; that as a result of such negotiations, all of the said properties, save those of the LaFrance Copper Company, were, about the month of February, 1906, transferred to a corporation organized by the leading stockholders and directing spirits of the said Amalgamated Copper Company, known as the Red Metal Mining Company, which, by said transfer, became the owner of all the properties of the said Montana Ore Purchasing Company, the Nipper Consolidated, the Guardian Mining Company, the Minnie Healey Company, the Belmont Mining Company, the Johnstown Mining Company, the Hypocka Mining Company, and the Corra-Rock Island Mining Company, being all of the said Heinze companies, save the LaFrance Mining Company; that there was paid for the properties of the said companies, the sum of Ten and one-half million (\$10,500,000.00) Dollars, the said Red Metal Mining Company being organized with a capital stock of Eleven Million (\$11,000,000.00) Dollars; that the same parties who organized the said company speedily thereafter organized a corporation known as the Butte Coalition, which became the holder of all, or at least a majority of the stock, of the said Red Metal Mining Company; that the negotiations for the sale of the said Heinze properties were carried on on the one side by the said F. Augustus Heinze, and on the other side by one John D. Ryan, who then was president of the Anaconda Copper Mining Company, and now is the president of the Amalgamated Copper Company, and who, since prior to the commencement of the said negotiations, has been the chief representative of the Amalgamated Copper Company in the State of Montana.

"That there was associated with him in the said negotiations and in the organization of the said Red Metal Mining Company, one Thomas F. Cole, and that since the transfer of the said properties from the said Heinze companies, all of the said properties have been known as the Cole-Ryan properties; that promptly upon the making of the transfer of the properties, all suits pending, growing out of the said litigation

heretofore referred to, in number more than one hundred as affiant is informed and believes, and involving claims aggregating more than Fifty Million (\$50,000,000.00) Dollars, were dismissed and that since the dismissal of the said actions no law suits of any kind have been instituted or prosecuted by the said Red Metal Mining Company or the Butte Coalition Company against the Amalgamated Company or any of its constituent companies, nor by the latter against the said Red Metal Mining Company, or the said Butte Coalition.

"That sometime prior to the month of May, 1910, a controversy arose between the said W. A. Clark, or one or more of the said companies controlled by him on the one side, and the said Amalgamated Copper Company, or one or more of its constituent companies on the other side, touching the right to ores of great value within the city of Butte; that said W. A. Clark is, and for many years last past has been, a man of very great wealth and at the time the said controversy arose he was employing a large number of men in the said county of Silver Bow in connection with his mining and smelting operations; that in addition thereto, he is, and for many years last past has been, a member of the banking house of W. A. Clark and Brother, one of the leading financial institutions of the city of Butte; that he was twice elected senator from the state of Montana, and at the time the said controversy arose, and during the pendency thereof, and until the transfer herein-after referred to was made, was a man of large influence and power in the city of Butte, County of Silver Bow, and State of Montana.

"That said controversy having so arisen, negotiations were entered into between the said W. A. Clark on the one side and the said Amalgamated Copper Company on the other, as a result of which, all of the mining properties, as well as the smelter so owned by one of the said Clark companies and controlled by the said W. A. Clark, were transferred to and became the property of the plaintiff herein, save certain properties, the chief production of which is zinc, and not copper, and in connection with the operation of which a very limited number of men are employed, and save also, that the said Clark reserved the right to make use of the concentrator operated in connection with the so-called Clark smelter, for a limited period, for the concentration of zinc ores extracted from the properties so retained by him; that affiant is informed and believes, and upon such information and belief avers the fact to be, that the said W. A. Clark closed such negotiations

and sold all of his copper properties in and about the said city of Butte as aforesaid, because, among other reasons he dreaded the submission to a court and jury in the county of Silver Bow, of the controversy so arising, in view of the power and influence wielded within said county by the said Amalgamated Copper Company.

"That within the past year, all of the properties of the said Red Metal Mining Company, the Boston and Montana Company, the Parrot Silver and Copper Company, the Washoe Copper Company, the Butte and Boston Consolidated Mining Company and the Trenton Mining Company, which had become the successor in interest of the Colorado Smelting and Mining Company, have been transferred to the plaintiff, Anaconda Copper Mining Company, its capital stock having been increased in connection with the transfer referred to from Thirty Million (\$30,000,000) to One Hundred Fifty Million (\$150,000,000) Dollars.

"That during the year 1905, there was organized by the said John D. Ryan and the said Thomas F. Cole, a corporation known as the North Butte Mining Company, which, upon its organization became the purchaser of all of the properties of the said Speculator Mining Company, and has since acquired the properties of the Berlin Mining Company, and that the said North Butte Mining Company has, since its organization been engaged in the operation of the properties so acquired by it; that in the acquisition of the said properties by the said North Butte Mining Company, the negotiations for the transfer of the stock or properties of the said Berlin Mining Company, and as affiant is informed and believes, of the properties of the Speculator Company, were conducted by and on behalf of the said North Butte Mining Company by the said John D. Ryan, and that since the acquisition of the said properties by the said North Butte Mining Company, the same have also been generally known and spoken of as "Cole-Ryan" properties, and the said North Butte Mining Company, has since the organization of the same, been generally referred to upon the stock exchanges as a "Cole-Ryan property".

"That notwithstanding the said Amalgamated Copper Company owns properties immediately adjacent to the properties of the said North Butte Mining Company no controversy between the said Amalgamated Copper Company or any of its constituent companies, and the said North Butte Copper Company, has ever given rise to litigation, nor has such controversy, if ever there was any such, become known to the general pub-

lic, either through current report or newspaper mention, and affiant avers on information and belief that the controlling stock interest in the said North Butte Mining Company, is held by some of the directing spirits of the said Amalgamated Copper Company,—among others, the said John D. Ryan.

"That there is no industry of any character prosecuted in or about the city of Butte, which is a city, including its suburbs, of about 50,000 inhabitants as shown by the official census, except quartz mining, save such industries as are either directly or indirectly dependent upon the business of mining as conducted in and about said city; that in addition to the defendant in this action, there are not, at the time of the institution of this suit, and are not now engaged in mining in and about the city of Butte, outside of the companies hereinbefore referred to, as either controlled by or as associated with the said Amalgamated Copper Company, corporations or individuals employing in such business, more than Twelve Hundred Fifty (1250) men; that among such corporations, the Butte-Superior Company, the chief values of the ores of which are in zinc, employs about Four Hundred (400) men: the Elm Orlu, likewise operating on zinc ores, employs about One Hundred Fifty (150) men; the East Butte Mining Company, about Three Hundred (300) men; the Tuolumne about One Hundred Fifty (150) men and the Ophir about Forty (40) men.

"That there are employed in the mines in and about the city of Butte, operated by the plaintiff, the Anaconda Copper Mining Company, since its absorption of the properties hereinbefore referred to, and in those of the said North Butte Mining Company, which employs from Five Hundred (500) to One Thousand (1000) men, and in various capacities in connection with said mines, and in and about the said city by the said Butte, Anaconda and Pacific Railway company, and the said Hennessy Mercantile Company, and by other corporations controlled by the same individuals who manage and direct the affairs of the said plaintiff company, and the Amalgamated Copper Company within the said county of Silver Bow, not less than twelve thousand (12,000) men; that the value of the annual product of the mines so operated by the plaintiff company, and its associate company, the said North Butte Mining Company, is not less than Twenty-five Million (\$25,-000,000) Dollars.

"That one of the largest banking institutions of the city of Butte, and state of Montana, is the Daly Bank & Trust Company, a bank having deposits in excess of two and one-half

million (\$2,500,000) Dollars, and carrying loans and discounts aggregating upwards of one and one-half million (\$1,500,000) Dollars, a large amount of which is, as affiant is informed and believes, loaned to men in business, and residents of the city of Butte; that the said bank takes its name from one Marcus Daly, who was for many years the general manager and managing director of the plaintiff company, and who was one of the organizers of the Amalgamated Copper Company, and that the business affairs of said bank are now, and for some years last past, have been under the direction of one John G. Morony who succeeded, in the management of said bank, the said John D. Ryan, and who, in the absence of said John D. Ryan, is the chief representative of the Amalgamated Copper Company in the state of Montana, and who is now a director of said company.

"That it is generally understood in and about the city of Butte, and on information and belief, affiant avers the fact to be, that the said Amalgamated Copper Company, or some of its stockholders own the controlling interest in the stock of the Butte Water Company which supplies the city of Butte with water, and the Butte Electric & Power Company which supplies electric light, gas and power to the city of Butte and its inhabitants.

"That the only evening paper published in the city of Butte is the Butte Inter-Mountain, owned by the Butte Inter-Mountain Company; that the stock of the Butte Inter-Mountain Company is, as affiant is informed and believes, owned by the said Amalgamated Copper Company, or some of its principal stockholders, and that the policy of said paper is under the direction and control of the same persons directing the affairs of the said company within the state of Montana; that the only morning paper published in the city of Butte is the Butte Miner, hereinafter referred to, but that there is published in the city of Anaconda, a morning paper having a large circulation in the city of Butte, known as the Anaconda Standard; that said Anaconda Standard was established by the said Marcus Daly and that the estate of the said Marcus Daly still owns a large, if not a controlling interest in the same; that the said newspaper depends to a very great extent for its support upon the advertising and other patronage of the corporation controlled by or affiliated with the said plaintiff company and the said Amalgamated Copper Company, and that its policy is, and always has been, uniformly in conformity with the purposes and desires of the plaintiff and the said Amalgamated Copper

Company; that the said Butte Miner is owned by the Miner Publishing Company, the stock of which is owned or controlled by the said W. A. Clark, and that its business interests are largely dependent upon the good will, or at least upon not incurring the active antagonism of the said plaintiff and the said Amalgamated Copper Company and the individuals and officers locally directing their affairs, and that it exhibits, at all times, a noticeable conformity to the policy of its contemporary, the said Anaconda Standard.

"Affiant further avers on information and belief, that the individuals in chief control of the affairs of the said plaintiff company and the said Amalgamated Copper Company, in the state of Montana, are interested as stockholders and otherwise in various other companies doing business in the city of Butte, to a greater or less extent, and further affiant says that the same persons have at all times been active in connection with any political movements in the city of Butte, and have, as is well known, exercised a very large and generally a preponderating influence in the deliberations of the political conventions held in said county of Silver Bow, and have been largely instrumental in the selection of the candidates of the various parties for all local affairs, and that the belief generally prevails within the said county of Silver Bow, and throughout the state of Montana, that the said individuals, acting under the direction and with the co-operation of the said plaintiff company and the said Amalgamated Copper Company, are all powerful in the selection of the candidates of the political conventions held in the said county, and that in consequence of such belief, the said individuals and the said corporation wield a powerful influence over all, or nearly all persons occupying or expecting to occupy official position within the county of Silver Bow.

"That the Chicago, Milwaukee and Puget Sound Railway Company owns and operates a transcontinental line of railway through the county of Silver Bow and the city of Butte, and in addition to and in connection with its transportation business, it is engaged in the sale of coal, brought to the said city of Butte from mines near Roundup, Montana; it maintains a dispatcher's office, within said city, a General Freight and Passenger Agent's office, an Assistant General Superintendent's office, a law office and an office of an Engineer of Construction; that in addition to the foregoing, it employs within said county, a number of section men, yard employees and trainmen; that the stock of the said Chicago, Milwaukee

and Puget Sound Company is owned, as affiant is informed and believes, by the Chicago, Milwaukee and St. Paul Railway Company, a parent company; that it is generally understood that the stockholders in whose hands are the management and the control of the said Amalgamated Copper Company and the said Standard Oil Company, are likewise stockholders, who manage and control, at its head, the business of the Chicago, Milwaukee and St. Paul Railway Company, and that said John D. Ryan, the president of the said Amalgamated Copper Company, and one Wm. Rockefeller, prominent in the affairs of the said Standard Oil Company, are both directors of the Chicago, Milwaukee and St. Paul Railway Company.

"That about the time this action was commenced, the plaintiff herein began an action against the Monidah Trust, a corporation controlled by one James A. Murray, and against the said James A. Murray, who was operating a mining claim known as the Ticon, under a claim, similar to that asserted in this action, claiming therein, that ores being extracted by the said Murray from said Ticon were within a vein having its apex within property owned by the plaintiff company; that said action is still pending, an injunction having been granted therein, as in this action, by which the mining operations being conducted by the said Murray were interrupted; that at or about the same time, an action was commenced by the said North Butte Mining Company against the said Tuolumne Mining Company, under a similar claim, but that the said action was thereafter settled and dismissed pursuant to some agreement entered into between the said North Butte Mining Company and the said Toulumne Mining Company, the said Toulumne Mining Company being induced, as affiant is informed and believes, to settle the controversy thus arising upon considerations somewhat similar to those hereinbefore referred to as operative in inducing the sale of his properties by the said W. A. Clark.

"That the Butte Business Men's Association is an organization of persons engaged either directly or through corporations with which they are affiliated, in merchandising and in other lines of business in the city of Butte, and that there is affiliated therewith an association of merchants being members of the said association, known as the Butte Credit Men's Association; that among other activities of said Butte Credit Men's Association, it assumes to determine and does determine and decide the amount of credit which ought to be extended to

the several merchants of the city of Butte, and to determine and decide upon the solvency of those engaged in merchandising; and that upon the determination of such association that any merchant is not entitled to further credit the effort of the said association is put forth to prevent his obtaining it, and if it determines that it is unwise, in view of the financial condition of any merchant, as determined by them, that he continue business, steps are taken by the said association to procure the liquidation of the business of such merchant and accomplish his retirement from business; that in both of said associations one C. J. Kelly, who is general manager of the business of the Hennessy Company, heretofore referred to, has a very great influence, and that he assumes in a very large part, the direction of the affairs of both of said associations, and that by and through such associations, the said plaintiff company and the said Amalgamated Copper Company, exercise a very large measure of influence and control over the business houses in the city of Butte.

"That upon the transfer to the said Amalgamated Copper Company of the stock of the said companies hereinbefore referred to operating four large smelters within the city of Butte and to the plaintiff company of the properties of the said W. A. Clark, all of the smelters were closed down, and all of them have been dismantled and razed, save the said Clark smelter, which, however, has never since the said transfer been operated, and that all of the ores now produced by the plaintiff company or any of the constituent companies of the said Amalgamated Copper Company or the companies affiliated therewith, are smelted at the said smelter of the plaintiff company situated at the city of Anaconda or at another smelter owned by it, at the city of Great Falls.

"That the plaintiff company owns within said county of Silver Bow, property of value in excess of One Hundred fifty million (\$150,000,000.00) dollars and that the aggregate value of all other property in the said county does not exceed fifty million (\$50,000,000.00) Dollars.

"That the attorneys for the plaintiff company at the city of Butte, are likewise the attorneys for the said North Butte Mining Company, the Butte Water Company, the Daly Bank & Trust Company and the Butte, Anaconda and Pacific Railway Company.

"That this general dread on the part of mine owners of the litigation and threatened litigation with the Amalgamated interest and the fact that said owners could not safely protect

their interest in the trial of said suits in said county of Silver Bow, together with the active policy on the part of the Amalgamated interests in threatening and instituting suits with all abutting owners of copper-producing mines except those allied with them in interest, has been one of the chief means of bringing about sales to the said Amalgamated interest, at prices satisfactory to them.

"That the combined Amalgamated interests as aforesaid are engaged in the general mercantile business, dealing in and distributing all classes of dry goods, gents' furnishings, ladies' suits and wears, including all descriptions of wearing apparel for men, women, and children, used or sold in the said city of Butte; and also sell and distribute furniture, carpets, groceries, fruits, meats, flour, provisions, hardware, mining machinery and mining supplies, coal, lumber, water, electric light and electric power, gas, and many other necessary commodities not herein mentioned.

"That in selling and distributing said products at wholesale or retail to the laboring men and business men of Butte, the said Amalgamated interests carry on a very large part of the business on credit, and especially a large credit has been extended by the Hennessy Company, on an extensive scale to the laboring men, employed by the said Amalgamated interests, and a large credit has also been extended to the business men, and including the credit extended to the residents of Silver Bow County by the public service corporations, such as the Butte Water Company, the Butte Electric & Power Company, and other subsidiary companies, that nearly at all times the relation of debtor and creditor would exist between all persons called to sit upon a jury in said county of Silver Bow, and some one or more of the said friendly and allied companies composing the Amalgamated interests in the city of Butte and dominated and controlled by their said managers and their said attorneys.

"That credit has been extended to the laboring men of the said county of Silver Bow by the said Hennessy Company on a very large scale and based upon the condition that the men are in the employ of the different Amalgamated companies, and the further fact that their wages are assigned to the said Hennessy Company through the medium of time checks; and affiant is informed and believes that all classes of laboring men who expect credit at the Hennessy Company must assign their said wages to the said company and purchase their merchandise from said company, and that if they are in debt to said

company, they believe their chances for obtaining employment from the Amalgamated interests are very much greater than if the relation of debtor and creditor does not exist; and they also believe that unless they keep on friendly terms with the Amalgamated company, their chances of obtaining credit or employment from the said Amalgamated interests are very greatly lessened.

"That many of the merchants of said city of Butte believe that, if the Amalgamated interests, their attorneys and managers, are unfriendly to them, that it would be unsafe for them to extend credit to persons in the employ of said Amalgamated interests in the said county of Silver Bow, and that the business in all the mercantile stores is very largely carried on by the storekeeper extending credit to men employed by the said Amalgamated interests, and that notwithstanding the fact that the assigning of the men's wages to the Hennessy Company has, at all times, been very unpopular among the other merchants of the city of Butte, the said merchants through fear have been unable to make any general or open protests, notwithstanding the fact that by reason of said assignments the Hennessy Company has a very great advantage in securing and keeping the trade of the men employed by the said Amalgamated interests, thereby practically monopolizing the earnings and trade of the miners and laborers employed by the said Amalgamated interests to such a great extent that the men sitting on a jury and being in their employ, would not be in a position to fairly and impartially weigh the evidence and render a fair and impartial verdict thereon by reason of the inducements to favor the said Amalgamated interests as herein stated, and by reason of the further fact that the relation of debtor and creditor would so generally exist, either directly or indirectly, as aforesaid, that very few qualified jurors in fact can be found in said county of Silver Bow to try the above entitled cause.

"And now, affiant avers the fact to be that by reason of all the facts hereinbefore set forth, the said plaintiff company has and exercises such power and influence industrially, politically, financially, commercially, and socially, within the county of Silver Bow, that defendant can not have a fair trial in the said county and that there is abundant reason to believe that it can not have such fair trial.

"That the plaintiff has substantially the same political, industrial, social and financial power in the county of Deer Lodge as in said county of Silver Bow, making a change of the place

of the trial of this action to said county of Deer Lodge subject to substantially the same objections on part of defendant, as exist in said county of Silver Bow.

"Affiant further says: That he resided in said county of Silver Bow for many years, and has had in the past, and still has considerable property interest within said city, and that he has deemed it advisable to make an application for a change of venue in said action brought by the plaintiff company against the Monidah Trust, upon an affidavit in substance the same or similar to one verified by this affiant in the said suit by the above named plaintiff against the Butte-Balaklava Mining Company, and that in the preparation of said affidavit that the Hon. T. J. Walsh of Helena, Montana, has rendered very important assistance to James T. Murray, Esq., and R. L. Clinton, Esq., attorneys for the Monidah Trust and this affiant.

"Affiant further says that this affidavit is made that a fair trial of this cause may be had before an impartial court and jury in a community that is unbiased in respect to any of the matters at issue."

## The Celebrated Case of Farmer vs. Combine

When God created that part of the world now known as the state of Montana for the benefit of a few distinguished Wall Street operators, and filled the Butte hill with gold and silver and copper, he likewise created fertile and beautiful valleys richly adapted to production of fruits of the soil and of sheep and cattle as well as to habitation for happy human kind. Inscrutable Providence likewise mixed the precious metals of the Butte hill with profuse quantities of sulphur and arsenic. Long years before Coal Baron Baer had revealed the puissant right of modern combines as instruments of Divine will and Infinite mercy, or the Rockefellers and Rogers had instituted this right in Montana, perverse man, in guise of pioneer, had penetrated to these valleys, had developed farms, established homes, accumulated flocks and herds, installed the arts of civilization, and dreamed of gratitude from a prosperous posterity.

By reason of its proximity to the mining fields and town, and because of its extensive soil and water resources, Deer Lodge valley was one of the first in the state to be occupied by ranchmen. This valley started in the mountains a few miles west of Butte and extended north for about fifty miles, with width varying from five to fifteen miles, between foothills largely wooded and with never-failing mountain streams flowing from either side as feeders to the Deer Lodge river which coursed its length.

The first rich earnings of the Anaconda Copper Mining company were derived by shipping high grade ores

to Wales for reduction and smelting. When Marcus Daly, in search of water supply and smelter sites, found both at the head of Deer Lodge valley, and founded the city of Anaconda, the valley farmers found their best market almost at their doors. The smelters of those days were constructed with short smokestacks from furnaces and concentrators; and the works, while extensive, were small compared with those of later years. The fumes from these stacks, which carried off the poisons from the ores, blighted and destroyed vegetation in the immediate vicinity, but were not carried far, and there was no vegetation in or about Butte or adjacent to the original works at Anaconda greatly to concern anybody. Soon after the Amalgamated Copper Company was organized it constructed a smelting plant, the largest in the world, across the town from the old works and higher up on the mountain foothills, so that the prevailing winds carried the smoke down the valley. Soon blighted crops and dying livestock on many of the farms within a few miles of the new smelters caused investigation, which proved that both forms of misfortune to the farmers came from the smelter fumes by precipitation of sulphuric acids and arsenic. Mr. William Scallon was then in charge of Amalgamated company affairs in Montana, and after becoming satisfied of the company's responsibility for the injury to agriculture and stock-growing, he employed company agents in the work of adjusting claims and paying losses of the farmers, while the company employed experts in efforts to provide a remedy for the destructive features of smelter operations. As a result, the company constructed an immense flume to conduct the smoke from all the works for many hundreds of feet to the top of the foot hill, and built at the end of that flume what was then the greatest and highest

smokestack in the world. Both flume and stack were equipped with devices designed to hold in the flume great quantities of the arsenic, and it was the theory of the experts that the smoke from this stack would be projected into the air at so great an altitude and diffused over such great space before reaching the ground that the precipitation from it would be harmless. Something like \$300,000 was paid to the farmers to compensate them for loss and injuries, and to secure releases from them of damage claims till July 1, 1903, when the new stack was to be completed. The completion of the stack was noted by a celebration which was attended by Deer Lodge valley farmers almost unanimously, and they were entertained with other people to the number of hundreds at a banquet served in the shelter of the great flume. There was an abundance of goodwill and mutual congratulation, based upon mutual confidence that cause of trouble or damage on either side was to be removed. While the great flume caught and saved to the copper company arsenic in quantity to control the market of the world, and is alleged to have more than paid its cost by saving in mineral which formerly had gone into the air from furnace stacks, it did not afford a satisfactory protection to the farmers against smelter poison. It did diffuse the smoke contents over a greatly extended area and make the effects from them less immediately noticeable. Late in 1904 there were new claims for damages, and in 1905 almost all of the farmers in the valley were members of an association organized to secure compensation for losses incurred, and relief from or protection against future injury. The company had changed in management and in policy. John D. Ryan had succeeded William Scallon, and it was determined to wear out rather than to buy out the farmers of the Deer Lodge

valley. The means expended, the agencies employed, the methods practiced, the time exhausted, the results accomplished, were sometimes ludicrous, sometimes serious, sometimes criminal, sometimes patriotic, always exhaustive, usually expensive. No better exhibit of awe-inspiring power and insatiate greed of corporate combine, and no worse exhibit of "the insolence of office, the law's delay", the smug sufficiency of officers of justice, the inefficiency of government for justice, can be found in any part of the country than those furnished by the history of this case of Farmer vs. Combine, or, in the court records, Fred. J. Bliss vs. The Washoe Copper Company and The Anaconda Copper Mining Company.

These farmers sought settlement without litigation. The first papers in the famous suit were filed May 5, 1905. On January 30, 1905, K. D. Smith, president, and William T. Stephens, secretary, of the Farmers' Association, addressed a letter to the combine officers, the contents of which follow:

"Owing to the conditions that prevail in the Deer Lodge valley as a result of the operation of your smelting plant, generally known as the Washoe smelters, there has been formed the Deer Lodge Valley Farmers' Association, for the purpose of obtaining relief on the part of the farmers of Deer Lodge valley from the general and widespread damage caused and resulting from your smelting operations.

"It is the sincere and earnest desire of every farmer in said association to secure an amicable settlement for the damages already incurred, and which may be hereafter incurred, from your smelting operations, without in any manner causing your companies any needless annoyance, litigation, expense, or in any manner attempting to interfere with the future operation of your smelting plant.

"We believe that stockraising or farming in the Deer Lodge valley within the smoke-infected portion cannot be carried on as long as your smelting operations continue, and that litigation will ultimately engender bad feeling between the smelting interests and the farming interests, and will cause much needless expense to all parties concerned.

"The members of the Farmers' association have directed their committee to use every honest endeavor to secure a fair and just settlement, either by mutual agreement between the parties, and, where mutual agreement cannot effect a settlement, then by arbitration of all differences between the smelting people and the farmers, and to that end we desire to present to those officers who have authority to bind the company's interest our request for an amicable adjustment of those differences, so that some plan can be formulated and agreed to by all parties concerned.

"R. L. Clinton, Esq., has been selected by the committee to represent the association and the members thereof, to discuss ways and means of bringing about an amicable settlement, and no plan, stipulation or agreement will be ratified in reference to the smoke cases or settlement thereof unless approved by him and the executive committee."

The answer to this letter came from Mr. A. J. Shores, then chief of the copper combine's legal department in Montana, in the form of a request to the farmers to submit to the companies defendant a bill of particulars concerning claims and damages. Mr. Shores' communication discouraged arbitration for the given reason that an agreement to arbitrate could not be enforced under Montana statutes, with an opinion that arbitration would be almost as expensive as litigation. Mr. Shores closed

with an assurance that if the farmers should see fit to adopt the course suggested by him, to give particulars of claims and damages, "the company will, in good faith, act promptly in the matter, and expedite the negotiations in every reasonable way." The farmers responded with the bill of particulars as asked. The action of the company in good faith, as promised by Mr. Shores, is thus described in the brief submitted by the farmers' attorneys in court:

"The company, after receiving a list of all damages, including land description, live-stock, etc., never made any answer at all to this letter or to the claims for damages, showing conclusively that they were acting in bad faith, and for the purpose only of getting from each farmer, in advance, just what his claims were, so that he would be confined to this data in case of a damage suit." This unanswered letter from the farmers also contained offers of settlement, and, according to the same brief filed in court, "The letter itself shows that there are 60,525 acres of patented lands, together with all water rights and improvements, all being under fence, and generally all being improved farms, for which is demanded the sum of \$918,147, which insures to the company title to all the lands, water rights and improvements, for the sum of \$18.17 per acre."

In that letter they gave the company two months time in which to reach a settlement, and there was no objection to any of the the propositions or request for any further time to give answer. The action was commenced in federal court in the name of F. J. Bliss, a resident of the state of Idaho owning a farm in the valley. This offer of settlement is significant, because the copper combine, through its organs and other agencies, continuously sought to impress public and courts with pretense that

its management desired to be fair while the farmers would be satisfied with nothing short of an injunction order to close the smelters and compel the combine to settle on such terms as the farmers would make. The falsity of this pretense was repeatedly exposed by the plaintiffs, with offers to submit to arbitration made in and out of courts, and to the president of the United States, as well as to the company officials prior to beginning any action. The farmers filed their complaint on May 5, 1905, and presented their case in ninety days between January 15 and April 15, 1906. Not till April 26, 1909, was the final decision in the trial court received. The court had fixed the time for the submission of evidence, giving plaintiffs three months for their evidence in chief, a like time to the defendants, and the plaintiffs to have fifteen days more to close the case. When the farmers had complied with this order of the court, the combine attorneys began demanding and securing extensions of time for its evidence. Some of its representatives had told some of the farmers interested that they would be kept in litigation for years, or until they were bankrupt. The taking of testimony did not conclude till the last of March, 1907, almost a year after the farmers had closed their case. Some of the reasons for this delay as alleged in the plaintiff's brief will appear of importance to laymen if not to court officials. In this brief the plaintiff's attorneys say:

"Nearly all the testimony introduced by the defendants was testimony which was produced, manufactured and created after complainant had introduced his case in chief, and for the sole purpose and object in view of meeting and defeating, if possible, the testimony in chief offered by the complainant. It was not a fair investigation of the facts in the Deer Lodge valley, but an

investigation of the testimony offered by the complainant, with a view of meeting it.

"These several continuances were granted defendants, as will be shown by the record, without any legal showing whatever as to what witnesses they expected to produce, what these witnesses would testify to, what diligence, if any, had been used by the defendants in securing their attendance."

In an affidavit filed by the attorneys for the farmers, and undisputed by the defendant, in endeavoring to prevent further delays, the combine was openly charged with protracting the case for the purpose of wearing out the farmers; and it was shown that the lay witnesses put on the stand afterwards were available when defendants first asked for postponements. The trial lasted over a year, and the record of evidence was described as the greatest in the history of litigation. The master in chancery took nearly a year in which to make certain proposed findings. It was then January, 1908. The trial court had the case till April 26, 1909, when the judge gave his decision.

Eleven days before the farmers in Montana filed their suit against the copper combine, farmers in the Salt Lake valley in Utah filed a similar suit in the federal court in that state against smelter companies that were injuring them in exactly the same way. The Utah suit passed through the trial court, the circuit court of appeals, and the supreme court of the United States, and was forever ended in December, 1907. This was before the plaintiffs in the Montana suit had even the master's report in their case, notwithstanding that these plaintiffs were urging haste and complaining of delay almost throughout the proceedings. It was through the application of the corporation that the hearing of this

farmer's case was referred to a master in chancery, and against strenuous objection by the plaintiffs, who alleged they were convinced that such proceeding would open the way to abuses that followed, in delays, in a great mass of non-essential testimony, and consumption of time by the master in making findings which were afterwards disregarded by Judge Hunt so far as opinion was concerned, the court making original findings and judgment for himself. Any attempt to review the library of testimony built up in this case would be as irrelevant to this history as it was to the disposition of the case by the honorable courts.

In his decision in January, 1909, Judge Hunt denied the right of the farmers to use of the power of injunction, but he recognized and stated the fact that injury had been done and that it was competent for a court of equity to call for further proceedings and additional evidence to determine what measure of relief should be furnished, and what action by the court should be taken to secure it. He issued an order retaining jurisdiction in the case for the purpose of receiving further evidence regarding the possibility of instituting a plant at the smelter that would eliminate the arsenic, and stop the damage, which he had judicially determined had been in process of doing since the suit was started six years before. After taking this evidence, furnished mostly by employees of the combine, Judge Hunt determined that it did not furnish the court with basis for an order requiring alterations at the smelter, and dismissed the suit, adjudging each party to the action entitled to pay his own costs. In substance and effect Judge Hunt's decision was that an injunction to close the smelter would not be granted because the suspension of the smelter would inflict more

injury upon society than the principles governing the administration of equity would permit a court to cause in such circumstances; that plaintiff had sought the wrong remedy and should seek relief by a suit for damages against the combine in civil action. This meant, in effect, if not in the opinion of the court, that it was reasonable to assume that the combine would abandon the use of \$10,000,000 worth of property in Anaconda, as well as nearly ten times as much more in Butte, by court injunction rather than to pay less than \$1,000,000 in equitable settlement of damages imposed by it upon citizens of the state through the operations of its works. It meant also that the farmers of the Deer Lodge valley who resided there must seek their relief in state court from judges and jurors who alike owed their employment to combine sufferance or suffrages. It also meant that despite guarantee of both federal and state constitutions against private property being taken or damaged for public use without just compensation, such property might be so taken with authority of courts of equity in consideration of the welfare of the greater number of people who might be injured if a lawless combine should chose to punish itself with loss of millions in preference to doing justice, to those whom it had wronged, by the payment of less than a million for property which it had damaged or destroyed.

There were incidents in this litigation luminant of combine methods and resources in curing plain citizens of appetite for justice through court decisions. While about one hundred farmers were interested, and possibly half of them were impoverished through these proceedings, Mr. Bliss of Idaho was the only party plaintiff of record. The testimony of Dr. Warren, one of the proprietors of the state hospital for the insane, operated

under contract with the state, shows that John D. Ryan, head of the combine, sent Dr. Warren secretly to Idaho to buy Bliss out and thus end with defeat the farmers' action after they had spent a great sum for costs in an effort to get the matter litigated. Mr. Warren testified that he did not inform Bliss who he was buying the place for but that he did ask him to fix a price, and that he did not know how Mr. Ryan came to send him down there. It is incidentally interesting here to mention the fact that in the legislative session of 1911 in Montana, combine influences were actively involved in an attempt to sell this insane asylum property to the state, together with a great tract of land in the Deer Lodge valley, the price to the state for the land being fixed at almost three times that asked by the farmers for their land; notwithstanding that the greater part of this asylum land had its title clouded with an easement to the copper combine against all claims for damages, past, present or prospective, from pollution of soil, air or water, from smelter operations.

Naturally the newspapers published by or in combine interest would and did approve and confirm, Judge Hunt's wobbling decision. They did more. They accepted it as final and eternal. The Butte Intermountain, published and edited under the personal direction of John D. Ryan, started its able editorial on the subject with the phrase, "In writing the final chapter of the celebrated 'smoke' case today". The learned editor of The Anaconda Standard, more indirectly employed in the same service, closed his able editorial on Judge Hunt's decision with this conclusive summary: "The effect of yesterday's ruling is to remove the last vestige of anxiety as to the future of the cities of Butte and Anaconda, and to relieve all lingering apprehension of all the other com-

munities which are, to a greater or less degree, dependent upon the defendant companies' operations. This smoke case has been in the court three years. (The real time was four years.) It has involved colossal interests, it has entailed enormous expense, it has attracted national attention. It is ancient history—a thing of the past."

Were these cocksure press agents of the jubilant combine inspired with intuition or information, that they were enabled to esteem the trial court as the court of last resort in federal practice? The reader has been advised how this unprecedented record of a trial was made up. He should know why it was made up. The resources of the majority of the farmers undoubtedly had been exhausted by court expenses, with continuing damage to crops and stocks from smelter operations, during four years of legal combat with the combine. Not all of them were bankrupt. The leader in the fight, in strength of courage as well as finance, was Mr. N. J. Bielenberg, one of the pioneer stockmen of the state, one of the earlier settlers in the Deer Lodge valley, and one whose interests and resources were not confined to his big ranch in the valley. He desired something more specific and definite on the merits of his claim than the decision of Judge Hunt appears to be to him. He proposed to take an appeal. Facts obtained from the clerk of the federal court for the district of Montana revealed that the cost of appeal in the matter of fees had been practically doubled by congressional action the year before, by the enactment of a little bill, promoted by Senator Thomas H. Carter, for the nominal purpose of equalizing such fees in northwestern states. Where the former fee for making a transcript had been fifteen cents per folio or forty-five cents per page, it was now

thirty cents per folio or ninety cents per page, allowed to the clerk for making such transcript and certifying it to the higher court. This court official estimated that the testimony in the case of the Deer Lodge valley farmers would make approximately 30,000 pages, amounting in round numbers to \$27,000 for the transcript. In the court of appeals, according to law as explained by the court official, the clerk shall receive one dollar per page for printing such transcript and twenty-five cents per page for supervising the work. It was, therefore, reasonably reckoned by the court official that the making and printing of the transcript of record in the case of Farmer vs. Combine would cost between \$60,000 and \$75,000. Possibly there was only coincidence of this increased cost of appeal and the premature assurance of combine organ editors that the decision in the trial court ended the smoke case for all time.

The attorneys for the farmers went before the court of appeals in San Francisco with a motion for an order directing the clerk of the district court in Montana to transmit with certification the original record in the case, with statement of the facts showing that such order would impose no hardship upon anyone, that the charge of thirty cents per folio for transcribing such an enormous record was excessive when the same services could be obtained for five cents per folio; and the higher court, after due consideration of the subject, issued the order and made it possible for the farmers to appeal their case at a cost of less than \$40,000 for a perfected record of the testimony and proceedings.

Few influences which could be enlisted to create public sentiment, to impress public officials, or to embarrass the plaintiffs, were neglected during all these many

years devoted to wearing out this community of farmers who had temerity to beard a combine in court. The menace of a shutdown, the danger of want, if not starvation, to many thousands in widely scattered parts of Montana, was a favored and well exploited argument for this as well as other emergencies. If we may believe the decision, this had profound weight with the honorable trial court. Less serious to the public, amusing to most people with sense of humor, and very expensive to the combine, was the attempt to demonstrate the agricultural prosperity of Deer Lodge county by county fairs in the smelter town, under combine auspices and management, and chiefly with combine exhibits. The following quite accurate report of the annual Deer Lodge county fair in September, 1910, is entitled to place in any comical history of Montana, and therefore is presented:

"The Amalgamated Copper Company's annual Deer-Lodge County fair has been in session this week, and as a general exhibit of monumental buncombe the giant trust's own private little exposition is the same proud success it has been ever since the first year when Mr. E. P. Mathewson, Mr. Martin Martin, and other gentlemen who lean to the interest of that corporation, foisted it upon a local public so enfeebled by long intimidation that it has been incapable of protest. As customary the exclusive exhibitor on its own merits and for its own independent benefit is the Amalgamated Copper Company of New Jersey. Of course there are other exhibitors who have lent their names and services to the trust, among these the State Insane Asylum, an institution supported by the commonwealth under contract, but which the copper corporation finds eminently serviceable in this connection. The farmers of the devastated

Deer Lodge valley do not take part in this travesty; the smoke fumes have not left them the crops with which to participate in the game properly, and of course they do not care to dance at their own funeral.

"The Amalgamated Copper company conducted its fair this year in precisely the manner in which it runs its smelters and other affairs—through its agents. The directors of the trust's fair are the company's men, namely, Mr. E. P. Mathewson, superintendent of the smelter; A. C. McCallum, Anaconda, merchant, who has admitted that he conducts his business under awe of and by grace of the company; E. J. Bowman, the company's banker; John Lawlor, coroner and undertaker and agent for the company's cemetery; W. E. Coleman, chief clerk in the company's electric light department. It will be observed that the company has a cemetery as well as a fair and smelter. The trust's agents ran the fair; the trust's newspaper, the Anaconda Standard, advertised and praised it; the trust's agents collected and submitted exhibits and won prizes; and the trust's dog, if it has one, probably wagged its tail with canine satisfaction at the entire exhibit of cool corporation depravity and deceit. There are no real farmers in the board of control, and there never have been. The fair, like the smelter, is an exclusive industry devoted purely to the interests of the combine. Consequently the operating machinery is kept entirely in the hands of the latter. The copper combine spends money on this county fair, and the structure it erects annually with shipped-in live-stock, pickled grains and grasses secured from many localities at great expense and kept over from year to year, and stolen vegetable specimens rifled from the "smoke-farmers'" gardens and the hand-cultured city lots of Anaconda by night is so shaky, flimsy and

plastered over with easily detected lies and frauds that prying eyes must be kept entirely off the 'works'. It might be a risky business to let an impartial person act even as spectator.

"The farmers of the Deer Lodge valley do not exhibit at the smelter company's fair because the smelter has partially or wholly ruined their farms, and because the fair was established and is maintained by the smelter company for its own sinister purpose and not to encourage farming in the Deer Lodge valley. After the effective discouragement to which it has subjected such farming with its smelter, the pretense that this fair is to encourage farming would be a joke if it were not such a job.

"The ways the Amalgamated Copper company runs this little fair are worth considering by the people of Montana—at least that part of them that care anything for honesty, a square deal, or the rights of men. The purpose of an honest county agricultural fair is to show what the county produces in agriculture and livestock. The purpose of this monopolistic exposition is to cheat the public into the belief that the Washoe smelter has not injured the farms of the Deer Lodge valley. As in previous years, this year the combine has spent large sums to set up before the eyes of the people the usual sham and fraud. The smelter fair is a contemporary of the smelter experimental station which was established for use in the smoke case. It was located by the copper corporation on ground in the Deer Lodge valley called Section Sixteen, a part of the thousands of acres the trust owns. The smelter people established it in 1905, to show a court what the smelter could grow and raise in spite of the smoke, and the fair was started about the same time by the smelter agents. Prior to this time,

before smelter smoke had destroyed the agricultural and livestock industries of the Deer Lodge valley, the farmers of the valley desired to hold a fair, and petitioned the county commissioners to appropriate for the fair's use \$1,000, authorized by a new law. Mr. Martin Martin was chairman of the commissioners' board, also private secretary of Mr. E. P. Mathewson, superintendent of the works. The trust did not need a fair then, and Mr. Martin said a fair would be absurd, and he and his fellow commissioners refused the farmers the money. In 1905, under instructions from the company, the commissioners hastened to appropriate a thousand dollars for the purpose, Mr. Martin still holding both his jobs. First, the smelter company refused to let the farmers have back any of their tax money for a fair for themselves; now the trust takes the farmers' tax money and uses it for an exposition of its own, to injure the farmers in litigation.

"But the tax money isn't a drop in the bucket, comparatively, for this trust fair is expensive. The company agents are good managers, and they contrive to make the people of Anaconda contribute substantially to the fair fund. This year the company postponed the fair to agree with the race meet, and its agents on occasion pass through the big smelting works with fair tickets for the employees to purchase, and the employees purchase them because it is wise to do so if they would retain their employment. The side lights on the copper trust's exposition expose the nature of its most profitable 'farming'.

"The most arduous labor involved in creating the meretricious smelter show called the Deer Lodge county fair is connected with obtaining the exhibits. The smoke from the smelter having withered the farms, des-

troyed the livestock, and generally paralyzed the agricultural and stock raising industries of the Deer Lodge valley, the copper trust has undertaken to farm some itself, primarily to 'show' a court, and secondarily to furnish exhibits for its fraudulent exposition as a foundation for state fair exploitation. The whole undertaking has been a most expensive venture in agriculture, and while the combine may have succeeded in its first purpose, it has dismally failed in the second. Some of the details of its farming and exhibit collecting are worth relating. The experimental farm on Section Sixteen contained 80 acres, and the copper farmers spent \$2,000 trying to raise a mixed crop of oats and grass on it for four years, finally getting some hay which cost it \$200 a ton. The foreman of the farm testified in court to the cost of this farming, and actual measurement of the hay produced showed there was but ten tons. This hay might properly have been exhibited at the smelter fair in a glass case, and labeled 'Costliest Hay Ever Raised'. Once, before the smelter got this magnificent crop, the grass and oats got up four inches and then were wiped out by the smelter smoke. Farmers who were not smelter agents dug down under the withered tops and found the roots of the grass and grain alive and the ground moist, and they say these roots would make a true exhibit of what the Deer Lodge valley now produces. After it raised this hay crop the smelter people scattered grass and grain growing experiments among its other farms in the valley, and while some of its witnesses in the smoke case testified that its fields 'looked well', it has never threshed a pound of grain.

"The company's method of handling livestock and the results of its venture in the livestock business have duplicated those of its farming enterprise. The trust

owns 8,000 acres of low lands, largely natural meadow lands, and in 1905 it bought 100 head of cattle. There were no animals at all on these princely acres, although once thousands of cattle and horses ranged the valley. Nevertheless, the copper combine kept its 100 head of stock on hay lands, pasturing them in the summer season on land that cost \$25 an acre. These lands, when farmed by farmers who have to make a profit and cannot make expensive experiments for fair exhibits, court purposes, or otherwise, were used for the purpose of raising hay. The copper combine also bought a band of three-year-old steers for \$33 per head in the fall of 1906. It kept these animals a year, and then sold them for \$30 a head, realizing a net loss of \$3 a head and a year's keep, notwithstanding prices for cattle were twenty-five per cent. higher at that time than when the steers were bought. As a concluding instance of the copper company's achievements in the Deer Lodge valley its experience with the French Crossing ranch caps the climax. In 1906-7 the combine expended about \$30,000 improving the lands, erecting buildings, excavating ditches and the like on this place, for smoke case purposes, yet when it closed down this work and undertook to rent the ranch the best rental it could obtain was \$300 a year.

"In obtaining material with which to fashion its Deer Lodge county fair the copper company has had even a more disgusting and miserable career. In order to get agricultural exhibits it has sent its hired men out over the valley to pick up bunches of good looking grass and grain wherever they could find them. Of course the smoke does not take every bit of vegetation clean, so this was not difficult. However, the exhibit collectors had to work at night as well as in the daytime, and were obliged

to take many samples surreptitiously from the lands of farmers who strenuously objected to the confidence game being rigged. These cribbed exhibits were not entered in the names of the farmers openly, yet after the fair was over, several of the farmers received checks for premiums and prizes awarded them, which they indignantly returned to the combine. The colossal effrontery of the smelter management is exhibited by the addition of this insult to the ruinous injury it has imposed upon its victims in the Deer Lodge valley. One award made was a first prize for macaroni wheat to Matt Smith, a farmer. Smith had two acres of wheat, and his entire crop consisted of fifteen bushels of wheat. This wheat crop no doubt beat the copper trust's ten tons of hay, however. The copper corporation's tools also filched exhibits from gardens and vegetable patches, and the combine generously gave one lady a first premium for a handful of flax which she had sown in her garden, and which represented the entire acreage of flax on the ranch. The company got a bunch of redtop hay from the Bliss ranch and entered it at the fair without the knowledge of Bliss or his tenants. This sample looked fine, yet it represented a crop that produced less than forty tons of hay on 320 acres of land. The combine awarded one man a prize for red clover hay although he had never raised a pound of red clover hay on his place. It likewise put a blue ribbon on an exhibit plucked in Powell county. It took a lot of labor and money for the combine to equip itself with fair exhibits, and therefore it had those secured for the fair in 1905 taken to the courthouse to a room assigned to it by the county commissioners, and there skilled employees picked off every burned or blasted leaf and straightened out every spear and stock, tied red, white and blue ribbons on them, and

laid them carefully away for future fairs. Thereafter they appeared annually at all Deer Lodge county fairs and all state fairs, and once more will make their bow this year at the copper farmers' annual exposition."

In March, 1911, the circuit court of appeals at San Francisco affirmed Judge Hunt's decision given two years before. It is not too much to say, because it is the truth, which cannot affect adversely any honest interest or cause or court, that after six years of strenuous conflict between the farmers and the combine, there has been no judicial adjudication of this matter so far as the merits of the real issues between the parties to action are concerned. The honorable courts have decided that the operations of the smelters cause damage to the property of the farmers, and that it is a continuing damage, but that as to the plaintiff, Bliss, the remedy he sought through all these tedious and costly court proceedings, with the consent and under the direction of the judges, was not the right remedy in law and that his relief must be found by new and other proceedings; with no assurance that they would be less prolonged or less expensive; while as to the other farmers injured, they of course have had no standing at all in court at any time. Without the obstinate determination of Mr. Bielenberg, and without large resources in real money which he realized in successful enterprise apart from farming in the Deer Lodge valley, and without persistent integrity of plaintiff's attorneys, Messrs. R. L. Clinton and C. M. Sawyer, the litigation certainly would have ended in earlier and cheaper triumph for combine management. Mr. Clinton was an attorney in Butte, and Mr. Sawyer in Anaconda. What each has been compelled to resist in abuse, in ridicule, in loss of business, and in temptation, in combine-ruled communities, entitles them to recognition as historical if not heroic characters.



## “A Constitution Between Friends”—State Laws to Legalize Lawless Interstate Combines

When Montana was admitted to statehood, the business of destroying competition by the corporate trust or combination had not extended far beyond the management of railways. “Standard Oil”, which later furnished the manipulators and the money, as well as the model, for most of these enterprises, had not reached that degree of perfection in monopoly which later enabled its directors to exact from the public annually, in profits on a common necessity, as much or more than the capital invested in the business; but Mr. Rockefeller and his imitators had become rich enough, and their competitors along independent lines of enterprise had become poor enough, to cause a quite general apprehension of the evils and dangers in unrestrained corporate power. Evidently this fear had penetrated to the comparative wilderness of the intermountain country of the west, and the people who framed and adopted the constitution of Montana used their best knowledge and efforts to safeguard the state against these dangers. Besides stringent prohibitions and limitations for the regulation and control of railway companies, the constitution contains, in Article XV., treating of “Corporations Other Than Municipal”, the following specific and significant provisions:

“Sec. 3. The legislative assembly shall have the power to alter, revoke or annul any charter of incor-

poration existing at the time of the adoption of this constitution, or which may be hereafter incorporated, whenever in its opinion it may be injurious to the citizens of the state."

"Sec. 9. The right of eminent domain shall never be abridged, nor so construed as to prevent the Legislative Assembly from taking the property and franchises of incorporated companies and subjecting them to public use the same as the property of individuals; and the police powers of the state shall never be abridged, or so construed, as to permit corporations to conduct their business in such manner as to infringe the equal rights of individuals, or the general well-being of the state."

"Sec. 10. No corporation shall issue stocks or bonds, except for labor done, services performed, or money and property actually received; and all fictitious increase of stock or indebtedness shall be void. The stock of corporations shall not be increased except in pursuance of general law, nor without the consent of the persons holding a majority of the stock first obtained at a meeting held after at least thirty days notice given in pursuance of law."

"Sec. 11. No foreign corporation shall do any business in this state without having one or more known places of business, and an authorized agent or agents in the same, upon whom process may be served. And no company or corporation formed under the laws of any other country, state or territory, shall have, or be allowed to exercise, or enjoy within this state, any greater rights or privileges than those possessed or enjoyed by corporations of the same or similar character created under the laws of the state."

"Sec. 13. The legislative assembly shall pass no law for the benefit of a railroad or other corporation, or any

individual or association of individuals, retrospective in its operation, or which imposes on the people of any county or municipal subdivision of the state a new liability in respect to transactions or considerations already passed."

"Sec. 16. It shall be unlawful for any person, company or corporation, to require of its servants or employees, as a condition of their employment or otherwise, any contract or agreement whereby such persons, company or corporation, shall be released or discharged from liability or responsibility on account of personal injuries received by such servants or employees while in the service of such person, company or corporation, by reason of the negligence of such person, company or corporation, or the agents or employees thereof, and such contract shall be absolutely null and void."

"Sec. 20. No incorporation, stock company, person or association of persons in the State of Montana, shall directly combine, or form what is known as a trust, or make any contract with any person or persons, corporations, or stock company, foreign or domestic, through their stockholders, trustees, or in any manner whatever, for the purpose of fixing the price, or regulating the production of any article of commerce, or of the product of the soil, for consumption by the people. The Legislative Assembly shall pass laws for the enforcement thereof by adequate penalties to the extent, if necessary for that purpose, of the forfeiture of their property and franchises, and in case of foreign corporations prohibiting them from carrying on business in the state."

Obviously the framers of that constitution believed that they had taken every necessary precaution against monopoly combines, watered stocks, special privileges, public abuses, swindling of stockholders, or juggling of

laws by corporations, domestic and foreign. Reading these mandates now, in the customary meaning of plain language, they appear adequate for their unmistakable purpose. Yet there is not one of those constitutional provisions or inhibitions which has not been violated, evaded or ignored, by the organizers or operators of the corporate combine in its conquest of the state. The laws of Montana in the special interests of this combine, by the powers of its corrupt influences, have been changed to give it legal standing for its lawless enterprises and to provide it with a refuge and defense against national, as well as state, prohibitions or prosecutions to prevent or punish monopolies or combinations in restraint of trade or commerce. The constitution of Montana has become "a constitution between friends".

In anticipation of the organization of the Amalgamated Copper Company under the laws of New Jersey, and as a necessary preliminary to its purposed operations in Montana, the legislature of 1899 was induced to so amend the statute laws as to permit a certain majority of the stockholders of a mining company to sell it to another company engaged in the same business, almost regardless of rights or wishes of minority stockholders. That was the legislature which involved the state in great scandal by its disposition of a seat in the United States senate. There was much opposition to the bill, and when first passed it was vetoed by Governor Robert Smith. The arguments used to convince members, while that measure was under consideration, are indicated by the fact that during the investigation of the senatorial election in Washington, Representative John H. Geiger, of Flathead county, in trying to account for currency bills of large denominations in his possession subsequent to the legislative session, and which he

thought had been thrown through the transom over the door to his room, testified that he had an idea at the time that there might be some connection between his finding the money in the room and the efforts being made for and against this corporation bill. With or without the corrupting of Mr. Geiger, the bill became a law. The Amalgamated Copper Company became a holding company and acquired controlling interest or complete ownership and management of various large and valuable competing mining and smelting companies in the state of Montana, capitalized these properties for something more or less than twice as much as they had cost the promoters, who generously allowed the investing and speculating public to pay for the purchases while permitting the insiders to retain control of the Amalgamated Company, of the Montana properties, and of as much stock as they cared to keep. That was within ten years of the time when the constitution of Montana was adopted with its carefully prepared provisions against trust organizations and inflated capitalization of property through incorporation.

In 1907 the copper combine people had entered upon the project of securing control of the incalculably valuable water power rights in the great rivers of Montana. One of the companies, subsequently absorbed by them, planned an important development on the Missouri river near Helena. This company was organized, like the Amalgamated, under the laws of another state. The construction of the proposed dam necessitated the flooding of a large land area, including some placer mine properties which had been productive in past years and which had cost the owners at that time a large investment. The importance of water rights for both mining and irrigation purposes, in a semi-arid state rich in min-

eral wealth, had prompted a constitutional safeguard by declaring the use of water, when appropriated for sale, rental, etc., together with ditches, flumes and reservoir sites used in connection therewith, to be a public use. This water power company went into court and secured an appraisal of the placer lands needed in its business, but the price was not satisfactory to the owners and they appealed to the higher court. While the action was pending and undecided a bill was introduced in the legislature extending the right of eminent domain to foreign corporations. The copper combine lobby secured the passage of that bill. The power company instituted new proceedings to condemn the property for public use. The owners resisted and pleaded the unconstitutionality of the act. The supreme court upheld the law. The thoughtful framers of the constitution, in seeking to protect the powers of the state against corporate powers and encroachments, had specifically provided that the right of eminent domain shall never be abridged. Doubtless they never dreamed that a legislature would be found to extend it for the benefit of a foreign corporate combine.

It remained for the next succeeding legislature,—under the personal command of Managing Director John G. Morony and the skillful guidance of copper combine attorneys from New York to Butte, with versatile lobbyists in and out of the seats of members of both branches of the lawmaking body, with timely aid and sanction of members of the supreme court of the state, and with executive approval of a governor who possessed the information to enable him to know better but who lacked the courage and integrity to prompt him to do better,—to provide laws and delegate powers to corporations whereby and wherewith the most insignificant company

in the control of the combine might be lawfully employed to acquire the world, pay for it with company stock or bonds, and own and operate everything within or upon it from the most infinitesimal detail to the vast entirety. This legislation was not secured with honest argument or through legislative ignorance or innocence. Able and upright men exposed and denounced it before committees and on the floors of both chambers. The mere source of it, the silence of the combine press regarding it, the enormous combine lobby gathered at Helena in promotion of it, the palpably false and ridiculously foolish explanations of its purpose by its sponsors —any one of these should have been sufficient to put a legislator with ordinary intelligence or a spark of integrity upon his guard, without any opposition. The house had a nominal democratic majority and the senate a nominal republican supremacy. The corruption was non-partisan. On final passage the senate was divided sixteen for the bill and ten against it, with one absent; in the house there were forty-seven ayes and twenty noes with four absentees. Some details are of interest.

Extraordinary activity of combine influences in perfecting the legislative organization, followed by an unusually large lobby including high officials of the combine, early in the session aroused curiosity regarding what could be wanted by the corporation, which already had acquired most of the known copper wealth of the state, the best of the timber resources of the state, a large part of the developed or discovered coal lands of the state, almost all of the developed water power of the state, extensive railway interests, most of the public press, and almost a monopoly of government powers. The first knowledge of the measure outside of the combine circle came when Representative Duncan, of Madi-

son county, was requested to introduce it by Mr. Fred Whitesides, a trusted friend of Amalgamated high officials. Mr. Duncan declined with the given reason that it was "too dirty" for him. It was finally offered by a member from Cascade county, and was kept out of sight and out of public discussion for some time. When it was considered in committee, the most conspicuous advocates of the measure were Mr. H. A. Gallwey, an official of one of the combine's companies and a leader of its legislative lobby, and L. O. Evans of the combine legal department. The first had been prominent in democratic party conventions and councils and the second played a similar role in the republican party. The explanation was that it was a little bill to help develop the northern part of the state, specifically to authorize a townsite company at Great Falls to develop water power and to engage in the hotel business. On the floor of the assembly chamber, Representative Duncan declared that the measure was iniquitous and designed to enable corporations to do all the things which the federal anti-trust statutes, the recommendations of President Roosevelt, and the sentiment of the people of the country, were opposed to having done.

Before the bill came up in the senate for action it was favorably reported by the judiciary committee of that body after hearings at which employees of the combine appeared in its favor, and was then committed to the steering committee of the senate, where it was held till the closing days of the session when the power of the steering committee is greatest, and deliberate consideration of anything by the legislative body as a whole is practically impossible. By this time the measure had been quite thoroughly and publicly discussed in Helena almost everywhere excepting in the combine's daily

papers of that city. A canvass of the senate by opponents to the bill only a few days before its passage indicated a clear majority against it. Senator Thomas Long, who appeared on the senate floor as the chief spokesman for the combine in advocacy of the bill, had voluntarily denounced the measure and declared his hostility to it only a few days before. On the day of its passage, Senator John E. Edwards, in reply to a question as to what disposition would be made of it, asserted that it had not a chance of passage. He had been secretly working for it, and voted for it. Senator Edward Donlan, who had been defeated for governor largely by treachery of combine political bosses a few months previously, had come to the legislature, as a holdover senator and the leader of the majority in the senate, with a pocket full of bills calculated to promote public reforms and regulate corporations in the public interest. He gave his influence and his vote to the bill. Upon the floor of the senate, Senators W. F. Myer, of Carbon county, and Thomas M. Everett, of Choteau county, made strong arguments against the measure and described some of the dangers threatened by its enactment; but such arguments were unavailing to change minds otherwise persuaded. Some of the methods used in this work of persuasion were revealed by Senator Meyer in a public address to his constituents subsequently, when he told of the enactment of this law and how Mr. John G. Morony approached him in the hotel at Helena with information that he desired to talk to him about a little measure Mr. Ryan and Mr. Morony wished to get through the legislature. What followed is in the reported language of Senator Meyer:

"Senator," Morony said, "I want your assistance in a little matter. We want to get a measure through, one that will help us in a little enterprise at Great Falls."

"Well, Johnnie, I am with you upon any matter in which I can conscientiously assist you. What is the proposition?"

"Well, it is a bill to give us the right to secure some water power from northern Montana."

Morony is alleged to have explained more fully the details of the measure, whereupon Senator Meyer is quoted as saying:

"Morony, I cannot give you my support for that measure."

The matter was dropped for the time. A little later Mr. Morony met Senator Meyer in the same hotel, where were congregated many legislators and others. He approached the Carbon county senator with, "Meyer, will you support that measure?"

"No, sir; I will not."

"Senator Meyer, I will give you another chance. You go to the senate and sit down and vote against the bill, if you will, but keep your mouth shut. Will you do that?"

"Now, Johnnie, you know I would not sit down and say nothing on that bill."

"Say, Bill Meyer!" exclaimed the lobbyist as he stalked across the room, "I'll give you just one more chance. Say nothing, but manage not to be present in the senate when the vote is taken."

"Mr. Morony, I will be in the senate chamber, in my seat, voting."

The combine boss is described as being very angry, as swinging his arms, shaking his fists and proclaiming so that all of those in the vicinity in the hotel might hear:

"Bill Meyer, if you vote against that bill I will camp on your trail the rest of my life, and I will get you."

It was six months later when the first comprehensive use of this little local law by the combine management was brought to public knowledge. Among the assets acquired by the Amalgamated company in taking over control of the Anaconda Copper company was an empire of timber land in western Montana, estimated to have some billions of feet of lumber. This had been secured by the Northern Pacific Railway Company in its land grant and obtained by Mr. Daly at trifling cost per acre. It was procured with the primary purpose of insuring a lasting supply of mine timbers, operations requiring the use of approximately 50,000,000 feet of timber annually in connection with Butte mines. From the best information available it is asserted that control of all of the Anaconda properties, including mines, smelters, coal lands, railway, timber, etc., when the Amalgamated Company was organized in 1899, cost the inside promoters something like \$30,000,000. In 1909, when the Amalgamated company was arranging its business in preparation for the great copper merger, to be a rival of the steel trust in magnitude and stock-jobbing opportunity, and was reorganizing its corporate capitalization and organizations for merger and other purposes, its timber land and lumber manufacturing properties acquired from the Anaconda Company were transferred to a new company, organized under authority of this special law, passed by its efforts through the Montana legislature of 1909. The capital stock was placed at \$25,000,000. The articles of incorporation showed that the amount of capital stock actually subscribed was five shares, one each assigned to John Gillie, superintendent of the Amalgamated company; to C. F. Kelly, attorney for the same company; H. A. Gallwey, a mine superintendent for the same company; R. S. Alley, private sec-

retary to President John D. Ryan; L. O. Evans, attorney and lobbyist for the same company. These five were designated as the first board of directors. Three of these five were conspicuous among the lobbyists employed nine months before in putting House Bill 160 into the form of law. The possibilities under that law are somewhat revealed by the avowed purposes and stated powers of this new "Big Blackfoot Lumber Company", with its principal place of business announced as Missoula, Montana. These purposes and powers, contained in the articles of incorporation filed in the office of the secretary of state at Helena, are as follows:

"(1). Buying, owning, building, constructing and operating saw mills, planing mills, grist mills and flouring mills.

"(2). To purchase or otherwise acquire, own, buy, sell, exchange, deal and traffic in standing timber and timber lands; to buy, cut, haul, dry, exchange and sell timber and logs and to saw and otherwise prepare the same for market, and to buy, manufacture, exchange and sell lumber, bark, wood, pulp and other materials and all articles and products made therefrom or consisting thereof in whole or in part, and generally to carry on as principals, agents, commission merchants, consignees, or in any other capacity whatever, any business appurtenant thereto, or any other business, mercantile or otherwise, which in the judgment of the corporation may at any time be conveniently conducted in conjunction with any of the matters aforesaid.

"(3). To buy, manufacture and saw lumber, rough, dressed, finished and all building material.

"(4). To buy and sell grain, flour and meal.

"(5). To grind and manufacture flour, meal, shop feed, shop stuff, etc.

“(6). To acquire, own, lease, occupy, use or construct bridges, buildings, machinery, ships, boats, engines, cars and other equipment, railroads, docks, slips, elevators, water works, gas works, electric works, viaducts, aqueducts, canals and other waterways, and any other means of transportation, and to sell the same or otherwise dispose thereof or to maintain and operate the same.

“(7). To appropriate or otherwise to acquire water rights and privileges, and to engage in the business of supplying and constructing water for irrigation and other purposes; and to acquire and to develop water, electrical, or any kind of power for its own purpose, or for sale to others, and to construct the necessary plants, works and appliances for the transmission and delivery thereof.

“(8). To engage in other manufacturing, construction or transportation business, of any kind or character whatsoever, and to that end acquire, hold, own and dispose of any and all property, assets, stocks, bonds and rights of any and every kind.

“(9). To apply for, obtain, register, purchase, have or otherwise acquire, and to hold, use, own, operate and to introduce and to sell, assign or otherwise dispose of, any trade marks, trade names, patents, inventions, improvements and protection used in connection with or secured under letters obtained of the United States or elsewhere, or otherwise to use, exercise, develop, grant licenses in respect to, or otherwise to turn to account any such trade marks, patents, licenses, protections and the like, or any such property or rights.

“(10). To purchase or otherwise acquire and to hold, sell, mortgage, pledge, exchange or otherwise dispose of bonds, mortgages, debentures, obligations or

shares of the capital stock of any corporation, whether domestic or foreign, and to exercise with respect to all such property all the rights, powers and privileges of individual owners thereof; and also to purchase, hold and re-issue the shares of its own capital stock.

"(11). To do general contract work, as contracting to build railroads, turnpikes, dirt roads, wagon roads, building dams, ditches, flumes, etc.

"(12). Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporation shall have power to issue bonds and other obligations in payment of property purchased or acquired by it, or for any other object in or about its business; to mortgage or pledge any stocks, bonds, or other obligations, by it issued or incurred; to guarantee any dividends or bonds or contracts or obligations; to make and perform contracts of any kind and description; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things and to exercise any and all other powers which a co-partnership or a natural person could do and exercise, and which now or hereafter may be authorized by law."

The term of existence of this company was the maximum under the law of the state, forty years. This appears like a monster offspring from "a little local measure" offered to promote home industry at Great Falls; but it was a mere pigmy product, a veritable mouse from mountain labors, compared with what followed.

Meanwhile Montana's legislation under combine auspices had attracted attention of law students and law experts who had earned renown. At the first annual meeting of the American Bar Association subsequent to the Montana legislative session of 1909, Mr. Frederick

W. Lehman, of St. Louis, president of the association, in an address on legislation, paid tribute to the achievements of the copper combine in Montana, and gave recognition to the scope and efficiency of its laws to legalize lawless combines as follows:

"There are new statutes, and amendments to old ones, against 'trusts and monopolies,' but we are left much in doubt as to their practical scope. They clearly proscribe any more agreement, arrangement or combination, between individuals, partnerships or corporations, to limit production or to fix prices. This is the least hurtful because the least efficient of the various attempts at monopoly. Arrangements of this sort are not satisfactory to those engaged in them, are usually short-lived and not faithfully kept while in force. The 'trust' is always included in terms, but it is obsolete. Nobody now is so ignorant or so defiant of law as to think of forming one. And it is very easy to do much better. Out of the ashes of the 'trust' has sprung the holding company, the 'trust' in an improved, perfected form. The holding company does and is designed to do exactly what was done by the 'trust', and does it more efficiently. Is it under the ban of the law? Certainly not in all of the states.

"Chapter 97 of the Session Laws of Montana prohibits individuals, partnerships and corporations, from directly or indirectly combining or forming 'what is known as a trust,' and, in many and varied phrases, from limiting production or fixing prices or creating a 'monopoly in the manufacture, sale or transportation of any article of merchandise.' Chapter 106 (House Bill 160) of the same laws, governing private corporations, authorizes capital stock 'to any amount which may be deemed sufficient and proper for the purposes of the cor-

poration,' and it further authorizes any corporation to hold the capital stock of any other corporation or corporations, wherever formed or organized, and to exercise 'all the rights, powers and privileges of ownership, including the right to vote upon such stock.' Having slain the senile and debilitated 'trust', they made invulnerable through legitimacy its youthful and sturdy successor, the holding company. They carefully guard against any possible resurrection of the 'trust' by the provision 'that nothing in this act shall be construed as repealing any of the provisions of House Bill No. 310, known as the Anti-Trust bill'. But these two laws stand together, with the result that any industry or business of the state may be legally monopolized, provided it is well and thoroughly done and no half-way measures are employed. This condition of the law exists in other states, although in no other was it brought about with such apparent deliberation and at one and the same session of the legislature. And it is this sort of dealing with serious public questions that accounts for the radicalism of later measures, most denounced by those most responsible for them.

"But the holding company is not the full and final development of industrial combination. This is reached in the single corporation with unlimited power of capitalism and direct ownership of the business and properties with which it deals. Here is eliminated even the disturbing element of minority interests in constituent companies. Yet states which prohibit 'trusts' and assume to prohibit monopolies, set no bounds to the capitalization of their corporations or fix the limit so high that under it many industries may be completely engrossed.

"The result of such legislation is simply to prevent combination where the appearance of competition is

maintained and to sanction it where the combination is open, avowed and most effective. That certainly was not the popular purpose. The movement against 'trusts' was against the monopoly of industry or business, however accomplished, and the more thoroughly it was done, the greater was the objection to it. The assurance that the economies resulting from combination would cheapen production and that this would go to the benefit of the consumer was never accepted. Our people have no faith in a benevolent despotism. They know that power tends to abuse. A corporation large enough to engross an industry cannot be trusted to a generous or even a just use of its mastery. An enlightened self-interest may find its real and lasting advantage in moderation, but self-interest does not mean self-enlightenment. Recent disclosures show that greed has not changed its nature and still grows by what it feeds upon. The complete absorption of a rival is not beyond its capacity, and the crumbs of a false balance are not beneath its covetousness."

The accuracy of Mr. Lehman's analysis was proven on March 23, 1910, when a special meeting of the Anaconda Copper Mining company was held at Anaconda, Montana. As reported in the official organs of the company, exactly four people were present, all subordinate employes of the combine organization and mere dummies for the Napoleons of finance and speculative stock-jobbing in Wall Street. One was Mr. Ben. Thayer of New York, assistant to the president of the Amalgamated company during war times and now president of the Anaconda company; another, Mr. John Gillie, superintendent of the company at Butte; Messrs. C. F. Kelly and L. O. Evans, members of the Butte branch of the combine legal department, were the others. These four

men, with two motions, formally increased the capital stock of the Anaconda Copper Mining company from 1,200,000 shares, with a par value of \$25 each, to 6,000,000 shares, with a total capitalization of \$150,000,000, and authorized the issue of over 3,000,000 shares of this new stock to be exchanged for the stocks and properties of the various constituent companies of the Amalgamated holding company. Here was the development of "the single corporation with unlimited power of capitalism and direct ownership of the business and properties with which it deals" as foretold in Mr. Lehman's address. This was not only sanctioned by the law of the state, but the bills for those laws were approved in advance of their passage, in verbal opinions of supreme court judges to lawmakers, while at least one member of the court of last resort in the state actually worked for support for the so-called anti-trust bill, interpreted by Mr. Lehman as the statutory Gibraltar behind which the single corporation with unlimited power of capitalism and direct ownership was entrenched.

The simple and beneficent enterprise of the combine organization under these laws was revealed in an article published by the Wall Street Journal, and reprinted on April 10 by The Anaconda Standard, as follows:

"The Amalgamated group during several years past has greatly changed its methods of producing copper. Millions of dollars have been expended for the installation of machinery driven by electricity and the introduction of economies has been general in the mines and smelters.

"The next step was the merger of the so-called Amalgamated properties in the Butte district and the acquisition of the Clark copper properties in Montana. Then followed the purchase of the United Metals Selling com-

pany on a basis practically of book valuation. Control of the International Smelting and Refining company, the largest refinery of its kind in the world, went with the selling company. Amalgamated is now in a position to handle its own product from the mines to the refinery.

"Reports, which seem to have some foundation, are current to the effect that the Amalgamated Copper company is negotiating for one of the largest plants in the United States engaged in the manufacture of copper wire, sheet copper and brass products. If such a deal is put through, Amalgamated would then hold a position similar to that of the United States Steel corporation, inasmuch as it would control the situation from the mining of copper to its conversion into finished products, such as wire, sheets, etc.

"Through its acquisition of the United Metals Selling company the Amalgamated will benefit to the extent of at least \$600,000 a year. The net income of the United Metals is in the neighborhood of \$1,250,000 a year; the charges on the \$12,500,000 5 per cent. notes amount to \$625,000 a year, therefore Amalgamated benefits to the extent of the difference between these two sums, or \$625,000 annually. Benefits in the way of earnings will also accrue as a result of the recent renewal of copper refining contracts for 10 years. The merger of the Butte properties has resulted in a saving of several hundred thousand dollars a year.

"Should Amalgamated enter the copper manufacturing business on a large scale, earnings should show a good increase from this source. The Amalgamated, as the largest seller of copper, would naturally use its best efforts to increase the consumption of copper. It will be recalled that a short time ago Amalgamated interests brought considerable pressure to bear to induce manu-

facturers of certain finished copper products to come down in their prices to a level commensurate with the price of the raw product. Amalgamated interests held that as a result of this inequality of prices between finished and raw copper products consumption was being retarded.

"The opinion in copper circles is that as soon as the supreme court hands down its decision in the oil and tobacco cases the question of merging the important copper companies of the country will again be taken up. Amalgamated, through its own product and that handled by United Metals Selling company will naturally dominate the situation."

On April 23, 1910, Collier's Weekly said editorially:

"In our issue of April 2 last, we called attention to the proposed formation of the big copper trust between the Morgan-Guggenheim-Amalgamated interests. Every indication then pointed to the formation, in open defiance of law, of this combination. Events since have made certain what was then only our prediction. We say now to Attorney-General Wickersham that this merger will take place in the very near future, unless restrained or enjoined by law. Constructive lawyers have found a way to create these trusts. With equal ingenuity, can not the Attorney-General find a way to stop them? Not only does this new copper combine mean more powerful control over a commodity which has become one of the necessities of commerce; it means the total destruction of the helpless independent copper producers, and it means as well reckless juggling with stock markets. By finding a way to stop this combination, Attorney-General Wickersham will do much to prove that his former employment as an attorney by the Morgan interests has no influence upon his present

political usefulness. Such a public example just now might help to offset Ballinger's methods in the Alaska steal."

Certain political conditions and uncertain conditions of lawless combine security in consequence, with evident reluctance of investors and speculators to accept the urgent invitations from Wall Street to participate in the pleasures of another boom in copper stocks, apparently gave pause even to such daring and successful Napoleons as have made famous the "Rockefeller group" of operators. But the constitution and the laws of Montana were seemingly regarded as all right for the enterprise held in abeyance for more favorable political and business conditions.



## Relief from Taxation for Monopolists

Great progress in the affairs of the world is not always marked by celebrated achievement. The Revolutionary fathers earned enduring fame by waging war successfully to escape taxation without representation in government. Without any war at all the Napoleons of Wall Street in Montana have escaped taxation with representation, and without so much as attracting notice from the great majority of citizens whose burdens have been increased thereby. For capitalization and dividend purposes, and in market values quoted from day to day, the properties in Montana of the copper combine are rated in excess of \$200,000,000. If these were assessed at one-tenth of a fair amount and taxed in that state as other property not owned by tax-dodgers is taxed, the taxes paid within the state by the copper combine interests would be greater than they are under existing conditions. Gentlemen are not fictitiously described as high financiers who can save from \$3,000,000 to \$5,000,-000 annually in the one item of taxes on the property held by a corporation organized under specially procured law designed to authorize "a little local company" to engage in the hotel business. The people of Montana have not regarded it as worth the trouble or expense to create the office of state tax commissioner and to employ a competent man or men to "stay on the job". The private corporation, organized under the laws of new Jersey to do business in Montana, has its tax department working throughout the year, with a tax commissioner employed by the year and selected for the responsible

duties of his position because of his intimate acquaintance with tax laws, tax officers and tax-dodging in Montana, acquired through years of employment by one of the great transcontinental railway systems operating in that state. It has been modestly and conservatively estimated, by a person qualified to make such calculations, that this official in a single year saved his employing company at least \$200,000 in reduced taxes by securing low assessments or reductions in assessments upon that comparatively small part of the company's property subject to the usual methods of taxation in the state.

In the judgment of courts of competent jurisdiction, and of legislatures, and tax officers, and even some taxpayers, there has seemed to be no redress for the state and no remedy for these apparent and unjust inequalities, and no burdensome responsibility upon the combine for them, because the state, like most of the workmen who get killed or injured in the combine employment, or like public officials who disregard its "wants", was guilty of "contributory negligence". The men who framed the Montana state constitution evidently meant well, and plainly apprehended a possibility that some among less benevolent corporations might be created in the remote future devoid of that patriotic fervor and generous public spirit which makes tax-paying a pleasure. The constitution says: "The power to tax corporations or corporate property shall never be relinquished or suspended, and all corporations in this state, or doing business therein, shall be subject to taxation for state, county, school, municipal and other purposes, on real and personal property, owned or used by them, and not by this constitution exempted from taxation". But those state builders were actuated by a desire to develop and increase the wealth of the state as well as by a determination to make

corporations contribute their fair share of the burden of support of government. Mining was then the chief industry, but it was yet a young industry and it was the approved policy to encourage the discovery of new mines as well as the development of those already discovered but with unascertained values in minerals. Hence the one exception from the rule of uniform assessment and taxation, other than properties devoted to public or religious or charitable or educational uses, was with respect to mines. It was provided that all mines and mining claims should be taxed at the price paid to the United States therefor, with further provision for additional taxes on ground used for other than mining purposes and for machinery and surface improvements on mining properties, "And the annual net proceeds of all mines and mining claims shall be taxed as provided by law." The generous policy of the state thus adopted, to encourage new enterprise and competition in the mining industry, has been perpetuated and utilized to increase the burdens upon other property and business and upon the citizens of the state, for the greater enrichment of a foreign corporate combination which has monopolized the developed mining industry and exercised the powers and resources inseparable from such a monopoly to extend its control to other industries and enterprises, even to the agencies and powers of government itself.

In the year 1909 and again in 1911, bills for the submission to the people of constitutional amendment providing for the taxation of mining property, in the same manner as of all other property, were introduced in the legislature and killed, as all other measures were killed by the lawmaking bodies of those years if unsatisfactory to the combine management. In the purely perfunctory arguments presented from the floor against these meas-

ures, pleas were made on the one hand for protection to small mining operators,—who were more immediately in need of protection against extortionate smelter charges under combine management than from anything else on earth,—and on the other hand the big corporation's representatives in the legislature insisted that it would be impossible for anybody to assess mines intelligently and accurately,—as if other property generally was assessed intelligently or accurately. The claim that the company officials could be as well trusted to make returns of their book valuations of developed properties as to make returns of their net earnings for taxation purposes, did not appeal with convincing force to their legislative agents. Doubtless it was not known by law-makers of Montana at the time, but the Amalgamated Copper company managers had been persuaded, a few months earlier, to make returns to the national government of its actual investment, and income, gross and net, duly attested by oath of its officers, although they did it under protest, with a statement of reasons why they thought the national tax was illegal, and confessing that the return was made to protect the company and its officers from prosecution by the national government. The year before the legislature last refused to give the people of Montana an opportunity to vote on this proposed constitutional amendment, all the property in Montana was, for taxation purposes, valued at about \$300,000,000. This included the mining property subject to taxation, which was valued at a little over \$8,000,000. This happened within a few months of the time when eastern papers were printing reports, which the combine boosting organs of Montana were copying, about the revised plan to consummate the big copper interests' consolidation; with Mr. John D. Ryan as the guiding spirit in perfect-

ing the combine, while J. P. Morgan & Company were credited with being the financial manipulators. In this expanding combine enterprise the aim, of course, was to satisfy the investing public respecting the great assets back of the greater capitalization contemplated. An accepted authority on the subject of copper interests at that time declared Amalgamated timber lands alone to be worth \$30,000,000, on an exceedingly conservative estimate based upon the charge made for stumpage in the same district by the United States government. Amalgamated's coal mines, by the same authority, "on an equally conservative valuation", were placed at \$20,000,000. It was stated that the company had in its various treasuries \$25,000,000 in cash and credits and that its "big concentrators and smelters are worth the \$15,000,000 which they cost". The same authority, Mr. George L. Walker, gave the farther and unquestionably conservative assurance that the combine's copper mines "are worth a great deal more than all its outside assets combined". It never occurred, so far as the debates revealed the contents of the legislative mind, to the gentlemen incredulous of the ability of tax officers to appraise mines, that they might reasonably accept the appraisals made by the combine managers themselves and published by them in their organs in New York and Boston as well as in Montana.

There was another provision of the Montana constitution limiting the rate of taxation of real and personal property for state purposes in any one year, and specifically reducing such rate from two and one-half mills on the dollar of valuation to one and one-half mills on the dollar whenever the taxable property in the state shall amount to \$300,000,000. This amount was reached in 1910; and was anticipated by state officials who spend or

receive the revenues, as well as by eminent tax-dodgers interested to prevent a situation which would compel a more thorough and equitable enforcement of tax laws. In 1907 a proposed amendment changing this rate was put through the legislature and was defeated by the people in the following election without much being heard either for or against it from any source. In 1909, Governor Norris made elaborate presentation of the impending crisis involved in an automatic constitutional reduction of state taxes. Influx of new settlers and improvements in agricultural sections had increased taxable property with unexpected rapidity, and it was reasonably certain that the \$300,000,000 limitation would be reached the next year. The legislature in 1909 had again passed a bill for the submission of a constitutional amendment to increase the maximum amount of taxable property which could be taxed for state purposes at two and one-half mills on the dollar. But this amendment could not be voted on till November, 1910, and the legislative tax levy of 1909 was in conflict with the constitutional provision of 1889. Attorney General Albert J. Galen published an opinion "that the constitution was not self-executing", and that the fact that the legislature had fixed a levy for two years at two and one-half mills, while the property valuation was within the \$300,000,000 limit, and would not meet again in regular session before the taxes for 1910 would be collected, served to make the levy of two and one-half mills operative and lawful, despite the specific constitutional mandate that "whenever the taxable property in the state shall amount to three hundred millions dollars the rate shall never exceed one and one-half mills on each dollar of valuation, unless a proposition to increase such rate, specifying the rate proposed, and the time during which the same shall be levied,

shall have been submitted to the people at a general election, and shall have received a majority of all the votes cast for and against it at such election."

The opinion by the attorney general was accompanied by the suggestion that the question should be brought to conclusive determination by court decision to avoid embarrassment in the event that the question was raised subsequently to the tax levy. Almost immediately legal proceeding was commenced, in the name of a relative of the attorney general, to restrain the state officials from levying the tax of two and one-half mills on the dollar of assessed valuation, on the ground that it would be a violation of the state constitution. The proceeding was taken directly to the supreme court of the state. The attorney general appeared and argued in behalf of the higher revenue and against the constitution, and attorneys for his relative argued for the constitution. With promptness the supreme court announced its decision in support of the position and opinion of the attorney general. Almost at once the newspaper organs and other influences of the combine were enlisted in efforts to convince the public in regard to the narrow escape which the state had had from grave embarrassment by reason of this constitutional limitation. It was insisted that the only way to economize to meet such an emergency from reduced revenue would be to take the amount of difference away from the educational and charitable institutions of the state. College presidents and professors, alumni, and students, down to the preparatory departments, were drafted for the campaign against relief from higher taxes on homes and farms and the business of honest taxpayers and, thereby, for the continued immunity from a fair share of taxation for the monopoly combine and millionaire non-resident tax-dodgers. In that

campaign the public educators of the state talked and wrote to the public more voluminously and enthusiastically in favor of the constitutional amendment than they ever had done in a like period of time in the cause of education in the state. They were honest, and they were frightened, and they made a good fight, and they won the combine's battle. The amendment was adopted. The next session of the legislature made extravagant appropriations which exceeded the state revenues, notwithstanding the increase, and Governor Norris and Attorney General Galen arbitrarily held up the appropriations for educational purposes and gave the benefit of the revenues, in part at least, to extravagant and unnecessary increased cost of political departments of the state administration.

The exemptions of so much of its valuable mining property from taxation, under the existing system in Montana, does not satisfy the gluttonous desire of the combine management for economy in taxation itself. In the counties where its principal properties are located, its great political power is regularly and successfully exerted in the selection of public officials charged with the assessment and equalization of property for taxation, and it has been known to compel the taxgatherers to resort to proceedings in court to enforce collection of taxes based on absurdly low valuations of some of its properties subject under the laws to ordinary tax methods. This has not happened frequently, because there is not frequent occasion after the combine's own tax commissioner has finished his work with friendly assessors and friendly county commissioners who form the last board of review on valuations for counties, under judicial interpretation of a constitutional provision for a state board of review to adjust valuations as between counties.

Among the combines within the combine, created to pick up any resources or utilities which give promise of profit, there is the United Missouri River Power Company, formed by a consolidation of three other power companies, which together have monopolized the water power of the Missouri river from its source in Madison county on the southern border of the state, to Great Falls in the north, where another Ryan and Morony creation, "friendly to the Amalgamated", has acquired control of the river for power purposes. This United Missouri River Power Company was capitalized for \$14,000,000 and bonded for \$12,500,000. It was assessed by the assessor for the county of Lewis and Clark for the year 1910 at \$2,036,855 in the aggregate, three separate dam properties with improvements being assessed and taxed separately. The taxes assessed against one of these properties were paid, and the taxes charged against the others were allowed to become delinquent. The merger company tendered to the county \$20,366.34 to settle a tax roll claim of \$31,069.12. The tender was refused by the county commissioners, and the power company went into United States court and secured a temporary injunction to prevent the sale of the property for taxes. In its bill the company said it was "informed and believes and therefore alleges that the board of equalization, in pursuance of an unlawful, improper, and arbitrary conspiracy and agreement between themselves and the said assessor, did fraudulently, arbitrarily, wrongfully and unlawfully increase" its assessed valuation. After continuances of the case in court, and without a decision by the court or any trial of the cause on its merits before the court, on April 7, 1911, the United Missouri River Power Company paid to the county treasurer of Lewis and Clark county \$27,118.92 in compromise settlement of its taxes for the

year 1910. Here was a gain to the public of about \$7,000 if the power combine company was right in its contention regarding a conspiracy and in its tender of taxes to the county treasurer, and a gain of something like \$4,000 to the company if an assessment of \$2,036,835 was reasonable and just under the law on all the property of a corporation stocked for \$14,000,000 and mortgaged for \$12,500,000.

## Shut-Down Scares in Practical Use

When all other arguments and influences are inadequate to accomplish any important purpose of corporate combine management in Montana, there is resort to the "shut-down scare". The shut-down itself is not required excepting in very extraordinary emergencies, or to convince extraordinarily stubborn people. The closing of mines in Butte means the closing of smelters at Anaconda and at Great Falls, of saw mills in Ravalli and Missoula counties, enforced idleness for from twelve to eighteen thousand wage-earners, and, if long protracted, bankruptcy for merchants and extreme privations for thousands of families.

The reader has been informed how a suspension of operations in response to an adverse court decision resulted in the calling of a special session of the legislature by Governor Toole and the enactment of a general law for the special purpose of enabling the Amalgamated company to escape from the exclusive jurisdiction of Heinze's inferior courts in Silver Bow county; also how a partial suspension of operations enabled the combine management to reduce the monthly earnings of workmen, without changing the daily wage scale, in its enterprise of subjugating organized labor. While the decision by Judge Clancy, declaring the Amalgamated company to be an outlaw within the state, furnished ample excuse in law for the corporate suspension of operations, it did not provide imperative necessity for such disastrous punishment upon the public, as was shown by the fact that the company resumed operations, before the legisla-

ture was convened or the remedial legislation was enacted, in response to Governor Toole's somewhat whimsical insistence that the lawmakers should not be compelled to act in special session under the compelling influence of a public sentiment based on the public misfortune of suspended operations in the chief industry of the state. Judge Clancy furnished the excuse for the shut-down, but the shut-down itself provided the influence to secure the special session and the special legislation which the combine influences had been previously exhausted in vain efforts to secure. This successful use of the shut-down scare in 1903 made it a favorite weapon with the combine management ever after. It was used with and without apparent good reason, sometimes famously and occasionally infamously. It has lacked efficiency on only two occasions. In a previous chapter the facts were given of the vain attempt by Mr. John D. Ryan, with threat of a complete suspension of operations in mid-winter, to intimidate the members of the Butte Miners' Union to the extreme which would prompt them to engage as "scabs" and strike-breakers to bring striking switchmen on the Great Northern Railway to terms with their employers. The only other human being who ever made Mr. Ryan "back up" with his shut-down scare was Mr. Theodore Roosevelt when he was president of the United States.

There is more than guess work or unfounded report to support the statement that the combine management utilized a shut-down and resulting privation in Montana to bring wage-earners under subjection. Miners' wages in Butte almost always have been higher than in most other mining districts of the world. The cost of living also has been higher, and in recent years at least the occupation has been extra-hazardous to life and limb. The

Miners' Union did not take advantage of the copper wars in Butte to secure increase of wages, as it might have done. The five years' contract with the union, basing wages on a sliding scale to correspond with high and low prices of copper, was drawn by company agents if it did not originate with them. It was respected by the members of the union to the extent of disregarding laws adopted by the Western Federation of Miners, and it was violated by the combine management at the first opportunity when violation would serve combine greed. In 1907, when the over-inflated copper stock boom exploded and the price of copper "slumped", the Amalgamated company took occasion to suspend operations to a great extent in Montana. The Clark properties in Montana and Arizona, and the great copper mines of the Calumet and Hecla company in Michigan, as well as other established independent operators, continued working their mines and reduction plants and to give employment to their workmen. On September 17, 1907, the Boston News Bureau, a journal devoted largely to stock market news, and usually well informed on subjects related to the market, printed the following:

"We understand that the Amalgamated management has determined that it is not only for the interests of the copper trade, but for the best interests of Butte as a copper camp, that a shut-down of the Butte copper mines should be as complete as possible, and that they should not be reopened until both the copper and labor markets have been readjusted. The Montana copper war created a bad labor situation and it will take time and possibly sharp action to readjust this to a proper basis. \* \* \* The state of affairs in Butte has become well nigh intolerable, and the eastern management holds the present a good time to settle some of the issues that have been growing for years."

There followed in Butte the policy of "curtailment", and of employment of miners on partial time, and their discharge by foremen and shift bosses on trivial pretexts, with the invasion of the "bohunks", or more ignorant and unskilled workmen, from southern Europe, such as have been employed to "regulate" American labor in the steel trust and coal mine industries of the country.

In the furtherance of this enterprise to save copper while it was low and labor while it was high, the combine managers gave the public but a few days' notice and no better explanation than that the action was necessary because of the low price and small demand for copper. At this time the newspaper organs of the combine in Butte and Anaconda, and elsewhere in Montana, dwarfed the news of this public misfortune to the utmost and used whatever influence they had to reconcile the public with adversity. No effort of any kind was made by either combine agents, business men's organizations, public officials, or other favorite agencies of combine management, to impress upon either the managers or the public the great importance of averting this industrial and business calamity. There were no meetings of business men, of labor unions, or private citizens, to protest against the injury or to persuade those responsible that every influence and resource should be exhausted to prevent the disaster. This shut-down policy was continued throughout the winter season, and the hardships imposed upon wage-earners and their families were multiplied or increased materially by unprecedently high prices for the necessities of life, promoted and maintained by petty local combines from the days of the wild-cat stock boom. Just a little more than a year later, with mining operations not yet restored to normal volume, and with wage-earners and business men yet struggling to recover from

the losses of enforced idleness and against the conditions imposed by the advent of the new labor element with its lower standard of living, the shut-down scare was again invoked by the combine management, more ostentatiously than ever before, in an attempt to intimidate the president of the United States and influence the department of justice of the national government.

On December 3, 1908, The Butte News, an afternoon paper, printed a dispatch from Washington announcing a meeting between the president of the United States and citizens of Deer Lodge county, plaintiffs in what was known as the "Smoke Case", the action to recover damages or secure compensation from the copper combine interests for injuries to crops and livestock and farms from poisonous fumes in the smoke of the Anaconda smelters. It was announced that the president's attention had been directed to damages alleged to have been done to timber in the forest reserve from this smelter smoke, and that he had been urged to authorize the beginning of an action to enjoin the company from continuance of operations of the kind described. The combine's avowed organ, The Butte Intermountain, of the same day, contained no reference to this news, and the Butte and Anaconda papers of Friday morning gave evidence of no alarm and no unusual public interest. But on Friday morning, without stimulus of newspaper advertising or sensation, it suddenly became reported that wholesale disaster was imminent, and the emergency was so great that a local organization of Butte business men could not be called together in time to act, although some of its chief officers were officers or employees of constituent companies of the combine, and the executive committee of this organization forwarded to Washington by wire a protest against action by the government adversely to the copper cor-

poration. The next day The Anaconda Standard, The Butte Miner and The Butte Intermountain were employed to extend the hysterics with great headlines and with exaggerated imaginary tales of catastrophe to follow if the public was not aroused to remonstrance in sufficient force to give pause to presidential action. Public meetings were held, the atmosphere was charged with oral warnings from combine agents, commercial bodies in various cities of the state were started in motion and in resolution, city councils adopted memorials and protests, senators and congressmen from Montana in Washington were appealed to, Managing Director Ryan in Washington fathered dispatches which were printed in combine papers and quoted in public meetings called by combine agents to excite public sentiment to dissipate the danger of distress foreshadowed as about to spread over the state. The news was twenty-four hours old in Butte before the combine's organs took it up as worthy of exploitation and editorial comment. The excitement reached zenith within forty-eight hours, and the whole subject had disappeared from the columns of the combine papers in Butte and Anaconda within seventy-two hours after their sudden alarm. The smoke case had been in federal court in Montana for three and a half years, and Judge Hunt had had it "under advisement" for nearly a year. Any action by the government for an injunction would necessarily come through the same court, if not, indeed, the same judge. As a matter of fact these proceedings were instituted months after, and years after were ended, temporarily at least, by the most extraordinary stipulation entered into between the combine management and Attorney General Wickersham, described in another chapter.

The truth of the matter was that the farmers of the Deer Lodge valley, in their obstructed chase for justice,

had been learning from their adversaries. Frequently confronted with the use of public agencies and influences by the private corporation, they had appealed to the agricultural department at Washington, and competent officials had been sent out to investigate the effect of smelter smoke on vegetation and livestock. Some of these officials had been important witnesses before the master in chancery in the prolonged litigation, and reports to the department from competent and unprejudiced government agents stated conditions to be existing which entitled the government as well as the farmers to compensation for damages done. As a rancher in the west years before, President Roosevelt had become acquainted with the stockmen of Montana, including some of those who had claims against the copper combine for damages done. When government agents made reports which substantiated the claims of citizens Mr. Roosevelt knew to be reliable and responsible, and the latter appealed to him for aid in their unequal combat with the combine and the powers of government which it had enlisted in Montana, there was a meeting at the White House. Some of the farmers were there with their attorneys. Mr. John D. Ryan was there with other combine representatives, and the two United States senators from Montana were there, as well as officials from the national department of justice. It was an informal effort, in a somewhat formal way, to arbitrate serious differences. Here was where the tremendous artificial excitement in Montana was wanted and needed. Senator Dixon, as in duty bound, presented telegrams addressed to him from Montana people inspired by combine agents, and, after one reading and Mr. Roosevelt had commented on its character and purpose, further reading of similar protests was dispensed with by mutual consent. It was

reported from an authority present at the time that, after some presentation of pertinent facts from a variety of sources, President Roosevelt turned to Managing Director Ryan and asked him directly why his company did not settle the damages which it imposed by its operations. Up to this time, as the story was told, all of the parties to the conference, including United States senators, had arisen to their feet when addressing the President of the United States. It was stated that Mr. Ryan, who was seated, nonchalantly crossed one leg over the other, and smilingly replied, "That's a debatable question, Mr. President." It was further declared that there was emphatic pronouncement of the assertion that questions asked there were not debatable, and that teeth internationally famous came together with a snap which closed the conference; as Senator Carter was no less emphatically informed when he essayed his justly renowned role of peacemaker and harmonizer. This may or may not explain why the Montana newspapers and other agencies, which had been so vigorously engaged in working up the shut-down scare, so abruptly dropped the subject.

The manner and method of arousing public fear and creating public panic with this shut-down scare is admirably shown by quotation of a part of the public statement made by the head of the combine's legal department in Montana at that time, Mr. Cornelius F. Kelly, later promoted to become managing director. He attributed, properly enough, to the farmers whom he was dragging to poverty through dilatory and extravagant court proceedings, some part of the responsibility for the proposed government action. The smoke case was still pending before Judge Hunt, and, while declaring that he had refrained from publicly discussing cases in court,

he made a partisan statement for the public on this occasion, which was printed in The Anaconda Standard, and in which he is quoted as having said:

"Not content to await a decision (of the 'smoke case') after having the fullest opportunity to present their claims, upon the flimsy pretext that the United States government is being damaged by injury to the scrub timber about Anaconda, they seek to exert the powerful influence of the government to do that which in its result means the destruction of many millions of dollars of invested capital, not by the companies owning the mines and smelters alone, but by the thousands who have invested their savings and capital in Butte and Anaconda, to destroy these communities and injure others not so directly dependent upon the mining business here; to drive more than 100,000 people from their homes; to throw out of employment permanently 25,000 men, and to effect the wreck and ruin of the largest industrial factor in Montana."

Accepting the palpable exaggerations of this statement as legal verbiage and surplusage permissible to the profession, it is pertinent as helpful to the public understanding of this public announcement to say that all the claims of the Deer Lodge valley farmers and all the injury to government forest reserve from smelter smoke fumes could have been permanently satisfied at that time for about one-fifth the amount which the combine operators took from stock investors through over-capitalization of the Heinze properties when reorganized; or by just about the amount of the commission charged by Messrs. Cole and Ryan to the investing public for buying the Speculator Mining company property and organizing the North Butte Mining company; or by what combine officials and agents swindled from the people

of Montana and their eastern friends through the Barnes-King gold mining deal; or by one-thirtieth of the purely watered stock in the Greene-Cananea Mining Company of Mexico, which Cole and Ryan organized and "let the public in on" at par value; or by one five-hundredth part of the capital stock of the copper combine itself which it had been advertised as likely to have in the enlarged merger which Mr. Ryan was credited with work to accomplish. Mr. Kelly knew what it would cost. But in justice to Mr. Kelly it should be added that in that serious emergency he was employed to scare the public and not to inform it.

## The Grabbing of Water Power and Public Utilities

With a docile governor and tractable lawmakers filling the atmosphere and the official records of Montana with profound assurances of great concern for the conservation of the natural resources of the state for public benefit, corporations related to or having mutual interests with the copper combine group of financiers have appropriated or acquired practically all of the great water powers and the water rights necessary to the development of such power. This action was supplemented by systematic and thorough endeavors to secure a monopoly of the public utilities of light and power, with franchises, in the principal cities throughout the state. In Anaconda, and to less extent in Butte, control of these utilities was acquired by the Amalgamated company with its mining and smelting properties. At Great Falls, under lease rights, there had been successful experiment in developing electric power for use in the smelters. The value of this power was better demonstrated by the Amalgamated Company after the construction of a power plant on the Missouri river at Canyon Ferry near Helena and the transmission of the electric power to Butte. The inestimable wealth in water power rights and privileges in Montana seemingly was not realized by the high financiers in the east until the agitation of the subject by government officials, and the proclaiming of conservation of these resources as one of President Roosevelt's favorite policies, made the

question of ownership one of urgent interest to both the public and the speculators in public necessities. The corporate management lost no time in mere discussion of the subject. It employed its newspaper organs and politicians in that work, and other men practiced in quiet action for the more important undertaking of grabbing the water rights while there was yet time and opportunity.

As early as the year 1900 Mr. Paris Gibson, a pioneer of Montana, the accredited first citizen in founding and building the city of Great Falls, had made strong effort to inform the public of the value of the power of the Missouri river at that point. In an article published in The Rocky Mountain Magazine that year, he declared: "In magnitude the falls of the Missouri are unsurpassed in the United States except by the falls of Niagara. The power available here at the medium flow is ten times greater than that of the Mississippi river at Minneapolis, and thirty times either that of Lowell, Lawrence, Holyoke or Lewiston." Mr. Gibson presented facts in detail to show the comparatively greater ease and economy in developing power at the falls of the Missouri river, with other advantages superior to those of Niagara. It had been the dream of his life in Montana to see the agricultural lands of that state developed into green fields and the great water power harnessed for the manufacture of flour. He lived to see the value of the land for grain-growing uses recognized, and the value of the power demonstrated by its development and transmission to remote parts of the state, for use in mines and smelters and to supply light and power for rival cities, under the ownership of a foreign combine and for the enrichment of Wall street speculators. At about the same time three separate companies, organized

under the laws of other states, took possession of as many available damsites on the Missouri river above Great Falls. Similar enterprises by allied or cooperating interests were employed in western Montana, and to secure developed power on the Madison and Yellowstone rivers in the southern and eastern parts of the state. When the year 1911 was reached, practically all the desirable dam sites and water power privileges on the Missouri river, the Yellowstone, the Madison, and the Clark's Fork of the Columbia in western Montana, were under monopoly control, with accredited ownership of the control centered in a few Napoleons of finance with headquarters in Wall Street. The power at Great Falls had been acquired by John D. Ryan and John G. Morony, and by them transferred. The United Missouri River Power company had absorbed the Missouri River Power company and the Helena Power and Transmission company and had increased their combined capital stock, or replaced it, from a par value of \$4,200,000 to a total of \$10,250,000. This was not known to the public in Montana till February, 1909, when copies of instruments necessary to legalize the deal were filed with the secretary of state. Yet according to the articles of incorporation the United Missouri River Power company was organized on February 15, 1906. These two absorbed companies had been widely advertised and exploited as Montana enterprises, owned by Montana men, and to be operated as public utilities, for the benefit of the people of the state. The articles of incorporation showed that the three incorporators of the new merger all lived in New York. The total amount of stock paid in money was stated to be \$250,000, and the total not paid with money was \$9,999,000; it was declared that the assets consisted of "franchises, water rights, power

plants and lines, capital stock, bills receivable, property not included under these heads, sinking fund and cash", with a total face value of assets amounting to \$12,236,-702.33 and an actual cash value of assets of \$5,277,202.33; that the liabilities were \$5,096,026.91. In other words, if the statement meant anything, it meant that there was a total investment of all kinds approximating \$5,000,000 in these water power properties, with about \$7,000,000 in water securities as a basis for fixed charges to furnish a basis for charges to the public. This company was later put through the hands of a receiver and some of the water, temporarily, and most of the outsiders permanently, squeezed out.

Newly developed power at Great Falls was transmitted to Butte and Anaconda and utilized in both mines and smelters of the copper combine. It was also carried to Billings, where the local lighting company had been absorbed, giving the combine organization interests and influences and profits in eastern Montana. No attempt will be made here to detail the many operations, with dummy corporations and agents, and the special legislation and litigation in both state and national legislative houses and public courts, to accomplish and validate this monopolization of power and light and water facilities in the state of Montana. It is doubtful if any one individual or group of men employed in the task, from the local lobbyist among aldermen to John D. Ryan himself, would be capable or qualified for such an undertaking in explanation.

Under the laws of Montana, procured by the combine influences, even the holding companies for these widely distributed local organizations can be made to disappear and the Anaconda Copper Mining company can buy all of the stocks or bonds or properties, and operate them,

and juggle their bonds and securities, and pay for everything with Anaconda stock, and have everything a part of the property and a part of the business of the Anaconda Copper Mining company. This is authorized by the laws of Montana, passed for such special purposes by the same interests which operate the single and all allied corporations, and which in recent years have had no good excuse for fearing prosecution by state administration, or too strict interpretation of constitutional provision adversely to combine interest in the improbable emergency of a serious test in courts of these corruptly procured statutes.

In 1911 this combination of big business was exacting tribute from the public for light or power or water supply, and in at least one instance for all three, from the public in the cities of Butte, Great Falls, Anaconda, Billings, Kalispell, Lewistown, and many smaller places. In almost none of these cities were rates for such service reasonable by any calculation based upon actual investment or cost of operation. In nearly all of these cities conditions have been created or obtained which make either competition or public ownership practically impossible, either through debt limitations on municipalities or by restrictions of complicated laws, or because of monopoly rights secured by the combine interests in the natural resources of a great state. The far-reaching influence of the organization and the seeming helplessness of the public in efforts to secure public officials or servants free from the prevailing taint of combine power was displayed in Butte, where the city attorney, a devoted apostle of socialism and elected on the socialist ticket, had for some years been retained by the year as counsel and attorney for one of the electric companies engaged in the business of perfecting the

electric monopoly within the state—a fact generous in tribute to corporate monopoly's non-partisan political strength as well as to the socialist leader's skill in his chosen occupational profession.

The combine interests are not compelled to rely exclusively upon combine powers or the employment of official influence for the acquisition of these great rights and profits in perpetuity. With their superior facilities for directing public sentiment, the promoters frequently succeed in securing the support of favorable popular expression in the communities to be plundered, and large measure of fervent communal gratitude in return for generous promises. How these results are obtained may be sufficiently well illustrated by the reproduction of a single one from among hundreds of the newspaper articles judiciously placed, all equally well calculated to invite popular approval of combine works. This one is taken from *The Butte Intermountain*, official home journal of foreign corporations, edited under the personal direction of Mr. John D. Ryan in New York, or of his private secretary in Butte. This article was printed while Messrs. Ryan and Morony, through a townsite company, were peddling real estate in Great Falls to the public as a side line of the business of transferring the great water power at that point to monopoly control and transmitting it away from Great Falls, for combine use or sale in other cities:

"GREAT FALLS HAS A GREAT FUTURE.

"MILLIONS ARE ABOUT TO BE SPENT IN DEVELOPING RESOURCES.

"TO PUT IN A WIRE FACTORY.

"COPPER WIRE TO BE SUPPLIED FOR ENTIRE WESTERN COUNTRY.

" 'I predict that Great Falls in the next five years will be one of the best and most prosperous cities in the west,' said a man this morning who is a close observer of events and one who has a good general knowledge of business conditions. 'Mr. John D. Ryan and his associates who compose the Great Falls Power and Townsite company,' continued the gentleman in question, 'will spend in the next few years \$5,000,000 in building dams and the construction of a large power plant, together with an electric line into Butte to provide power for the Butte mines. In addition to this Mr. Ryan and his company will build a wire factory at Great Falls and make wire from the Butte copper with which to supply the copper wire market from the Missouri river to the Pacific coast. It is also proposed to build a plate glass, carbide and bi-cement factory to be operated in connection with the power company.'

"The Boston News Bureau of Tuesday last in an article on the electrification of railroads says:

"A contract has been entered into between the Great Falls Water Power Company and the St. Paul Railroad company whereby the former company will for a period of twenty-five years supply the latter with 25,000 horse-power per annum.

"The Great Falls company up to six months ago was controlled by James J. Hill and associates, but at that time John D. Ryan and several colleagues obtained con-

trol and at present the management is engaged in constructing two large dams. The company is now under contract to supply power to the Boston & Montana smelter at Great Falls and has taken contracts for approximately 50,000 horsepower a year.

"Not until the end of next year will the Great Falls company be in position to generate power for its new customers from the two dams now being built. The capacity will be further increased when three additional dams, now in contemplation, will have been finished.

"The portion of the St. Paul, which will obtain its power supply from the Great Falls company, is that running over the Rocky Mountains, and while no estimate of the amount of copper to be used is available, it will be a very considerable amount. For transmission wire on the new contract just booked the company will use 4,000,-000 pounds of copper.

"From Truckee, California, west, the Southern Pacific is making preparations to electrify a single line of its mountain division over the Sierra Nevada range. When in operation it is expected that capacity over the line will be doubled.

"'The railroads of the country,' says an interest identified with the Great Falls company, 'will commence their electrification in the not distant future.'

"'The Illinois Central railroad, I was told last week on my way through Chicago, would soon electrify its local and suburban services in that city, and the other roads also centering in Chicago will be obliged to follow suit. All of these actions make for an assured consumption of copper.' "

## Wild-Cat Era In Banking and Stock-Jobbing

In 1905 there was inaugurated at Butte an era of wild-cat operations in banking and stock gambling, during which the craze to get rich quick became epidemic and grew in violent intensity until it culminated in the financial ruin of most of its victims with the Wall Street panic of 1907. Within these three years more than 150 mining companies were organized in or about the Butte mining district, no one of which developed a paying mine. The aggregate par value of the stocks of these companies exceeded \$200,000,000. These worthless tokens of promised prosperity were peddled wherever foolish people with funds to buy could be found throughout the United States. It never can be told how great a tax was thus levied upon folly to be paid by industry. Bankers became stockbrokers, barbers were promoters, cigar peddlers were changed to officials of \$5,000,000 companies, newspaper reporters were transformed into mine experts and "mining editors" in a day, wage-earners made permanent investment with sole regard for the future, gamblers neglected their professional duties for the easier and faster game in which everybody was winning. That distinguished county in Indiana, once described by a Chicago promoter, where nobody could sell a gold brick—"because everybody had one", possessed little if any advantage over Butte when this mining stock boom was done. Of course the mad rush to secure much for little, or something for nothing, was not confined to Butte within Montana while it was being extended to other

cities throughout the country. None of the capitalizations or organizations of the big companies belonging to the combine, or others then independently operating productive mines in Butte, is included in the foregoing summary of companies and capitalizations. A few of these new exploitations were organized by honest men who honestly expended in development work the money received from stock buyers. The majority of them were sharpers' schemes to swindle the public, and the strength of the craze rather than the good character of the enterprise was shown frequently when good men of good public reputation were induced to allow the use of their names in the organization of companies and the sale of stocks by notoriously unscrupulous operators. Few men of good repute in official or private life escaped temptation in this form; and many were unable to resist it. Reference has been made to that public sensibility and regard for proprieties which resented the official connection of judges of a high court with a party newspaper organ at Helena. Apparently there was no such refinement of public opinion antagonistic to doubtful mining stock promotion during boom times. In the ocean of stock flotation there were certificates of interest in the Butte and London Copper Development company, incorporated under the laws of Arizona, January 8, 1906, with a "capital stock of \$5,000,000, 1,000,000 shares, five dollars a share." This stock was quoted on the curb in Boston and New York as well as in Butte, and sold in large quantity as far away as London, England. The price to outsiders reached a high figure during the excitement. Some of the money went for development work and some for promotion. The report filed in Montana for this company, January 1, 1907, in compliance with state laws, contained this much information:

"1. The name of the corporation is the Butte and London Copper Development company. Its principal place of business outside the state of Montana is at Phoenix, Arizona. Its principal place of business within the state of Montana is at Butte, County of Silver Bow, in said state.

"2. The amount of the capital stock is \$5,000,000.

"3. The amount of its capital stock paid in is \$5,000,000 in property.

"4. Its assets consist of 'Greendale Placer Claim', value of \$5,000,000; mining machinery, buildings, improvements, etc., \$162,808.34; cash on deposit, \$264,717.84.

"5. Its liabilities consist of current expenses."

This was signed by The Butte and London Copper Development company, "Theodore Brantly, President", and attested by the seal of the corporation. Mr. Brantly was Chief Justice of the supreme court of the state of Montana. The stock of the company is no longer quoted in eastern market reports as published, nor in demand in Montana. The pursuit of copper veins in this particular placer claim has ceased. The \$5,000,000 property is most accurately described by the lamented Mark Twain's definition of a mine as "a hole in the ground, owned by a liar". There never was manifestation of public disapproval of this use of judicial position to promote the sale of stock issued on an undeveloped mining claim, possibly because there were so many private citizens as well as public officials with glass exposure in their business habitations.

For this experience in wholesale stock swindling, as for most of their serious misfortunes, the people of Montana were indebted in greater part to the enterprise and influence and dishonesty of the Amalgamated Copper

combine "high financiers" and managers. Conditions at that time appeared to be perfect for the completion of the original plan of the financial kings to create a monopoly of the copper industry after the fashion of the steel trust. The battle with Heinze had been won, the country was prosperous, the price of copper advancing, and the demand for the product was being maintained notwithstanding increasing production. Cole and Ryan were employed, seemingly on combined salary and commission basis, to bring outside copper properties within combine control at public expense. North Butte was their first undertaking. The Speculator mine, a producing property, belonged to the Largey estate. A price had been placed upon it and the property had been reported on by combine experts, and not purchased, in previous years. Early in 1905 Cole and Ryan took hold of the project with a valuation of about \$5,000,000, and with this property organized the North Butte Mining company with a capital stock of \$6,000,000. With the influence at their command they succeeded in floating the stock at par. Within a few months a strike of rich ore in an adjoining property acquired by the company, aided by a rising copper market, started North Butte stock on its celebrated balloon flight. Almost without a serious halt this stock, with a par value of \$15 a share, soared above \$100, and for a short time had higher market value than Amalgamated with a par value of 100 per share. Some Butte friends of Ryan, who had bought the stock at par and who had been advised that it would be put about \$25, sold out before it reached \$30; and some of them bought in again above \$40, and \$50, and \$60, a share. Butte people went wild with enthusiasm and Cole and Ryan were proclaimed mining kings from Dublin Gulch to Wall Street. Heinze's properties were taken

over for \$10,500,000 and floated at \$15,000,000, and the boomers gave the stock a market value of more than \$40,000,000, without dividends enough for a long enough period to satisfy any kind of investor relying upon actual earnings. It was too easy. By a series of manipulations with a moribund copper company organized in Minnesota, with undeveloped claims in Mexico, new incorporations, high financial juggling, and the investment of something like half a million dollars, Messrs. Cole and Ryan got possession of Col. W. C. Greene's properties at Cananea, Mexico, organized the Greene-Cananea company with a capitalization of \$50,000,000 and gave to that stock in boom times a market value above par. All of these stocks were unloaded in large quantities in Butte and Montana, as well as the certificates of the myriad of companies incorporated to operate in and about Butte.

Mr. Ryan's visits to Butte had become infrequent, but the echoes of his voice, real or fabricated, were heard everywhere. He professed disapproval of the wild-cat enterprises being fostered in the big copper camp and gave assurances that men associated with those companies and holding official position in the Amalgamated organization would be compelled to quit either those companies or their connection with Amalgamated. But these assurances were not given publicly, and in the summer and fall of 1906 there was concocted and worked out of Amalgamated offices—with the knowledge and co-operation of Mr. Ryan himself and with the use of the influence of combine organization and the active participation of Ryan's most intimate friends and business associates,—as barefaced a swindle of the public and as conscienceless a betrayal of friends as can be cited from the whole record of rascal enterprise. The scheme ultimately became widely known as the Barnes-King mining

swindle. In its relative proportions to Amalgamated copper or Greene-Cananea crimes against the investing public, it was as petty larceny to piracy. The Barnes-King mine was a gold property located in Fergus county, Montana, owned for a number of years by Messrs. Barnes and King, who had derived modest fortunes from their industry in working it. An option on this property at approximately \$750,000 was obtained by A. J. Campbell, political manager and lobbyist for the copper combine under Ryan, and John Lalor, who had been private secretary to Marcus Daly and after Mr. Daly's death was retained by Mrs. Daly to look after details of business of the estate. Campbell already had made money in the stock boom and had gone to New York, where he had become a partner in a stock brokerage firm. Campbell had secured a favorable report on the property by a mining engineer. He employed his former private secretary, then holding a like position with Mr. Ryan in Butte, Mr. Roy S. Alley, and W. W. Cheely, business manager of a combine newspaper, to place the stock on commission. Early in the proceedings a large number of people, having friendly relations or official position with the company, were given confidential assurances that a particularly rich find had been made and that it was to be divided among friends of the late Marcus Daly. Similar assurances were given that the assays and expert reports showing great wealth of gold in the mine had been much more than confirmed by subsequent assays secretly made by Amalgamated company experts. It was explained that the prize was comparatively small but exceptionally sure, and that it would be difficult for anybody to get as much of the stock as he would naturally want. Of course it was too small a thing to be given the time and attention of Mr. Ryan but he had asked, according to the informa-

tion peddled, that as much of the stock as could be spared should be assigned to him. Two companies were formed, after the approved method of combine organization, one to float the property and the other to own and operate it. Long before any stock subscription was open there was a widespread and keen demand for such a gilt-edge investment under such favorable auspices. This property, purchased for less than \$1,000,000, was capitalized at \$2,000,000, four hundred thousand shares at \$5 a share, payable one-half when stock was subscribed on a certain given date and the balance several months later; with abundant assurance that before the second payment would become due the price of the stock would be advanced to at least \$10 a share on the market. These confidential communications had been carried to Great Falls, and Helena, and Missoula, and Anaconda, together with information that a certain part of the stock was to be distributed among New York "friends", under the loving guardianship of the late Marcus Daly's son-in-law. The stock was oversubscribed as was anticipated. More than \$500,000 in certified checks and drafts on New York to pay one-half for all stock assigned to Butte was collected by the agents in one evening. The stock did not rise as promised. Perhaps it occurred to too many of the stockholders, after reflection or consultation with each other, that Barnes and King were experienced and successful mining men, who knew the property better than anyone else, and who never had done anything to warrant a suspicion that they would sell \$2,000,000 worth of gold for less than \$1,000,000. The price sagged under efforts by the once eager subscribers to secure themselves against loss or liability for the balance due on the stock. Mr. Lalor came to Montana from New York, went to Fergus county, and was given a front page position with large

headlines for an interview in *The Anaconda Standard*, giving a glowing account of the prospects of rich returns from the property. This served to help in collection of some deferred payments, but did not prevent the exposure and scandal. There was a "slump", and mutterings even by high officials of the Amalgamated company about prosecutions to recover the money obtained from them by misrepresentation and palpable fraud. Mr. Lalor was made a scapegoat, relieved of his position in connection with the Daly estate, and went abroad. Prominent officials in the Amalgamated organization were placed in charge of the Barnes-King property as officers of the company, and new assurances were given to the buncoed subscribers. Official reports showed that there was less than \$50,000 worth of ore developed or in sight in the property. Although there was a large sum of cash in the treasury, reserved for operating and development uses, and although repeated efforts were made by the new management and by the newspaper organs of the combine in Butte to revive public confidence and restore some symptoms of legitimate enterprise and real prospects to the company, Barnes-King stock continued to be quoted on the Butte exchange as low as thirty cents per share, with no bids, and ceased to be quoted on the eastern curb at all.

This was a very annoying experience to the princes of the royal plunder guild. The biters had been bitten, and by their own household pets, creatures of their own training, proteges of their own promotions. It were bad enough for the shark to realize that the sucker had been nibbling his tail, but it was made worse by the necessity which compelled the sharks to advertise their humiliation to escape responsibility and save their previous reputations from the odium of such a palpable fraud. The

list of Barnes-King stockholders was made accessible for publication in Butte for no better known reason than to convince the hundreds of victims in Montana that the men with and by whose names the game had been worked were fellow sufferers rather than beneficiaries from the fraud.

But Barnes-King and the purely wild-cat schemes worked out of Butte were bagatelle. The men who profited by them lost all their profits, their original capital, and their credit with their cash, in the greater and more comprehensive operations in and through Wall street. According to the market reports in March, 1906, North Butte's \$6,000,000 of stock was worth \$38,000,000 in round numbers. The Butte-Coalition company, with Heinze's properties bought at \$10,500,000 and capitalized at \$15,000,000, was selling on the market on a basis of \$45,000,000. The price of Amalgamated stock had advanced more than 100 per cent. above the low point of less than two years before; and the boom was not at its full height. Greene-Cananea with more than \$40,000,000 of pure inflation of value was yet to come. At that time it was reckoned by an experienced dealer in copper property securities that five corporate organizations whose real properties could not be sold to real buyers for real money at \$75,000,000, had a market value in the stock reports of about \$350,000,000, or nearly five times their true value, measured by any reasonable calculation of their earning capacity for a period of years.

The deluge of easy money for easy people ceased falling in 1907. When the floods of watered stocks subsided and records of normal business were restored, some marvelous low water marks were noted. Early in January, 1908, a Butte editor, with some aptitude for figures and much knowledge of facts, calculated that during the

preceding twelve months there had been a shrinkage of \$500,000,000 in the market value of stocks of eighteen producing copper and smelting companies. He stated, as a matter of course, that Amalgamated led the procession with a loss of more than \$100,000,000; Greene-Canaea had fallen off \$45,000,000; North Butte \$32,000,000; Coalition some \$30,000,000. For apparent causes these all had been prime favorites in Butte. Heinze's United Copper, from a stock market rating of \$45,000,000, had disappeared from the lists; not even worth quoting. With tardy wisdom this servant of the combine sought to comfort the people of Butte with explanation that stock market prices are generally regulated by a clique in New York, that the mines and the mineral wealth remain, and "While the hills are stored with minerals and the mountain sides covered with timber, the only thing that should fill people with genuine fear is famine or blight or storm." It was the wisdom of experience, the most valuable known; but it was not quite adequate to make a Happy New Year for many people in Butte. They had lost their money and their stocks. The Napoleons of the copper market and copper mining had destroyed the market temporarily and "curtailed" production by closing mines. Butte had a hardy and an energetic people, strong of heart as of muscle, and with keen appetites whetted in many cases by lack of food; but they couldn't eat the timber on the mountain sides.

Twin child to wild-cat stockjobbing, born of high finance, is wild-cat banking. Both games are played by the operators with other peoples' money, with expectation or hope of getting possession of the money of yet other people. In Butte and some other cities of Montana both games are played by the same operators, and both alike are boosted and protected by a public press

subservient to the same corporate combine influences and interests. Without the practically unsecured money of depositors to work with, there would be little incentive and less opportunity for wild-cat banking. Without the concentration of these moneys in New York and their availability for use in rash speculation, most of those exploitations in high finance which have been recognized as infamous would have been impossible.

While the subject of "guaranteed bank deposits" was under general discussion a few years ago, the president of the Montana State Bankers' Association, in an address at the annual convention of that organization, declaimed long and loudly against the proposed innovation. The highest position attained in the banking business of that state by that banker was the office of president of a Butte bank which guaranteed the value of a big block of mining stock to assist in promoting the flotation of the inflated certificates of value issued by the Amalgamated Copper company. Mr. John D. Ryan was president of the Daly Bank and Trust company of Butte when the mining stock was so guaranteed; and his ultimate successor, who opposed guarantees to depositors in banks, was changed from a bank cashier with a modest salary in Great Falls to a reputed millionaire and a globe-trotter within less than five years through operations with stocks. This was not an especially singular or peculiar example of banking methods connected with stockjobbing in Montana, and these men were included among bankers described by the public press as "recognized over the country for their conservative efficiency." These incidents are mentioned merely to show the readiness of the public to esteem men capable of being rash speculators and conservative bankers at the same time, unless trouble and public misfortune results.

After the worst immediate effects of the panic of 1907 had been experienced, a statement was printed in The New York Evening Post as follows: "Montana suffers with the Lake Superior country from the shutting down of many important mines and the reduction of working forces in all the others. Nevertheless, Montana enjoys the distinction of being the only state in the Union in which none of the banks resorted to clearing house certificates, cashiers' checks or other makeshifts. As a consequence there is no distrust of the banks in Montana, and no disposition even on the part of the most timorous to hoard." This was grateful praise from Gotham, but not strictly true. It was notoriously untrue. Yet it was widely copied in Montana papers and the occasion seized to give some very bad bankers a very good character. To these bankers and their speculative associates, the high financiers of New York, Montana was indebted wholly for the fact that the statement was not true. Wild-cat stock-jobbing had robbed thousands in Butte and Montana of savings and surplus funds which would have carried the state through the panic period without distress or failure if not without serious apprehension. Montana bankers, eager for the fat interest rates offered in New York to secure funds to be loaned at still fatter rates to the gamblers on Wall Street, had sent money to the metropolis in large amounts; and when this money was wanted and due, the Wall Street gamblers in and out of New York banks simply refused to pay. So it happened that when depositors in Montana banks, during the stringent times, needed and wanted money, some of these Montana bankers found it difficult and others found it impossible to pay. In Butte the bank with the greatest number of depositors of any one bank in the city, those depositors including

merchants and wage-earners in great numbers, was closed and in the hands of the state bank examiner for a considerable time; and it was long after when depositors were able to secure full payment of their claims. In Billings the "makeshift" of cashiers' checks or clearing house certificates was resorted to and carried the business of the town through the emergency, as happened in other states. That this scheme was not resorted to in Butte was due to the fact that Mr. W. A. Clark would not consent to such action when it was proposed by other bankers; and the further fact that he was taking care of big pay rolls other than his own placed him in a position where his decision compelled approval and co-operation. Mr. Thomas Cruse, a private banker with great resources and a keen sense of humor, performed a like service for Helena, according to reports current at the time. It was stated that other bankers had agreed to issue clearing house certificates, and even perfected plans before consulting with Mr. Cruse. It was also reported that Mr. Cruse was called upon and asked if he had any objections to the plan. He had none and said so, with the additional information that he had no occasion to issue any certificates or paper to meet the obligations of his business. He was then asked if he would honor the certificates of the other banks. As the story was told, his reply was, "I will honor them, but I will not pay them". And the Helena banks did not issue any. There was in these cities, as in others throughout the state, generous forbearance and co-operation among business men of all classes, to lessen the hardships to the greatest extent possible and to avert worse misfortunes than those encountered. There was distrust of some banks, and good reason for distrust, because it was quite generally known that some of them had acted in

the capacity of brokers rather than bankers during the stock craze and had supplied large sums of money to carry stocks purchased with only small margins advanced by the nominal owners.

Common prudence prompted intelligent people in Montana, as elsewhere, to discourage action or reports which might stimulate public alarm or lessen confidence in the honesty and stability of banking establishments in crisis times; but there had been too many examples of flagrantly corrupt bank management within the state, and too many people had learned the dangers in over-confidence through loss and suffering to make popular or possible any general reliance in creed or faith, in law or preaching, which presumed that a proficient crook becomes an honest business man when he engages in the banking profession. Widespread disaster and enduring hardships had been suffered through bank failures in Helena and Great Falls, following the panic of 1893 but notoriously attributable to the introduction of wild-cat methods in the conduct of institutions well established and secure in public confidence. In the case of the First National bank at Helena, the swindled creditors had seemingly good grounds for subsequent complaints that the dissipation of assets through dishonest enterprise was completed under receivership proceedings with quite as little regard for the rights and interests of depositors as was shown by a thievish management. In the very zenith of boom prosperity previous to the panic of 1907, there was given conspicuous demonstration of the perils to communal welfare in wild-cat banking by the failure of the Aetna Banking and Trust Company of Butte, with exposure of a consistently criminal policy which had been pursued throughout the career of the institution in the robbery of its patrons. Follow-

ing this exposure, and mixed with it to shield influential crooks and to maintain public confidence in the banking business, there was given a fine exhibition of the misuse of a public press under combine control.

The Aetna Bank, as it was commonly called, was known in Butte as a Heinze institution, and its deposits were made up largely from the savings of wage-earners. It never was strong in the esteem of business men, and under efficient system of government inspection or supervision of banks in Montana could not have existed at all. Its report filed with the secretary of state in 1901 showed that it had an authorized capital stock of \$100,000, with capital stock actually paid in amounting to \$2,500. The amount of its assets by this report was \$2,500, and it had neither liabilities nor indebtedness. It was discovered, during the investigation of the bank after its failure, that the secretary and cashier had, almost immediately following the organization of the institution, drawn out the \$2,500 of actual money and replaced it with his personal notes. The statement of the institution, filed with the secretary of state in June, 1903, and made at the close of business, May 25, 1903, revealed the fact that there had been a reorganization. Mr. F. A. Heinze had become president and had retained as secretary Mr. A. B. Clements, who in the first year had given his note for all the actual assets of the bank. A branch of the institution had been established in the city of Washington, District of Columbia. The amount of the capital stock remained at \$100,000, and its other liabilities as given in the statement were deposits of \$293,047.88, with undivided profits of \$11,589.71. Its total stated assets included: loans and discounts, \$289,798.15; stocks and securities, \$46,200; real estate, furniture and fixtures, \$9,247.13; cash on hand

and in bank, \$59,392.31. This bank was organized under the laws of West Virginia. Late in the summer of 1903 a number of bankers in Montana, and evidently in other places throughout the country, received the following self-explanatory letter:

**"Doubleday and Company  
Stocks and Bonds"**

"St. Louis, Mo., Sept. 1st, 1903.

"Gentlemen:—The Aetna Banking and Trust Company of Butte, Mont., of which Mr. F. August Heinze is president will increase its capital stock to \$1,000,000 with a surplus of \$500,000 and open a new bank in Washington, D. C., to be conducted jointly with the bank at Butte. This new issue of stock will be sold by us either directly or through other brokers in different localities, and it is desirable that representative banking institutions in the other centers of the country shall act as depositories, and receive payments for stock and issue an ordinary conditional receipt therefor. We will be glad to extend this business to your bank.

"The selections for most of the eastern cities have been made and we will be glad to hear from you as soon as possible.

"The stock is issued at \$150 a share, \$100 par value and \$50 for the surplus, and the subscriptions are payable 10% on demand and 10% on the first of each month thereafter. Subscriptions may be bought for cash, and then, of course, stock is immediately issued, and participates in dividends.

"We believe this sale will be a popular one, and ought to make an item of deposit for you.

"We have not as yet definitely closed with the broker in your city to push the sale of stock locally, and we

will be glad to consider any suggestions or recommendations that you might see fit to make to us in that connection. With best wishes,

“Very truly yours,

(Signed) “Doubleday and Company,

“Per E. R. S.”

In response to an inquiry addressed to his St. Louis correspondent respecting the standing of Doubleday and Company, a Montana banker received the following reply:

“Gentlemen:

“Referring to your favor of the 4th inst., in regard to the standing of Doubleday & Company, St. Louis, I have to say that the only one of the company known to us is Robert S. Doubleday. He was formerly editor of ‘Finance’, a financial publication which went into the hands of a receiver.

“We have had some dealings with Robert S. Doubleday, all of which have been unsatisfactory, and judging from his general reputation here, we would not recommend him. Mr. Doubleday is not reputed as possessing any tangible assets that would make him responsible.

“It is the opinion of the informed ones here, that extreme caution should be used in dealing with any concern with which Mr. Doubleday may be connected.

“In regard to the possibility of any subscription to the issue of stock to which you refer, we are not in a position to advise you, but believe, if parties will investigate before purchasing, he will not sell much, if any, here.

“Mr. Doubleday is also Secretary of the United States Trust Company of St. Louis, a new concern recently organized, whose officers and directors are of about the same financial standing as himself.

“Trusting the above will serve your purpose, I am,”

Meanwhile, in Butte, the Aetna Bank, besides serving as a depository for wage-earners who had saved something, was being conducted practically as a pawn shop for time checks of employees of the Heinze mines and smelters who found it necessary to anticipate pay day. The practice was for Mr. Heinze's bank to cash the time checks of Mr. Heinze's employees at a discount of ten per cent. for the advance. This was something better than the regular pawn broker's rate of ten per cent. a month, because it frequently happened that the workmen would cash their checks only a few days prior to pay day. Nearly all of these facts had been published in Butte, and all of them were easily obtainable by a state bank examiner. The Aetna Bank continued in existence till 1906 and finally passed into the hands of a receiver for the national government, which had supervision over banking in the District of Columbia and thus secured jurisdiction in Aetna affairs through the Washington branch operations. When the end came it was learned that the losses to depositors, nearly all people with little ability to withstand such losses, amounted to about \$400,000. It also was learned that Mr. Heinze had passed his management of and interest in the bank to other people, and it was claimed by and for him that he had done this in 1903, notwithstanding reports and correspondence quoted above and the more significant fact that the bank continued to carry his name in some of its newspaper advertisements long after that time. The failure, or rather the exposure of the shameless robbery, was the cause of much natural indignation and severe criticism of those responsible. Mr. Heinze was at the point of his greatest prosperity, reckoned many times a millionaire, and with his former adversaries in the Amalgamated camp was engaged in booming coppers,

which facts furnish some pertinent information respecting the following letters, not contained in their contents:

“Butte, Mont., Nov. 28, 1906.

“Mr. Eugene T. Wilson,

“Dear Sir: You have already, through my counsel, been put in possession of the written transfer made by me in 1903 of all the stock held by me in the Aetna Banking and Trust company, showing that I parted with my interest at that time, and I believe that you are satisfied that no legal liability has rested on me since that date with reference to depositors or other creditors of that institution.

“It has been a matter of very great regret to me to learn that very many persons believed up to the time of your appointment as receiver that I was still connected with the bank and virtually controlled the same. This belief existed in spite of the fact that the public advertisements and statements put forth for several years showed that my place as former president and director of the bank had been filled by others. However, I am satisfied that a very general unauthorized use of my name has been made in many directions and I have been pained beyond expression to learn that the recent affairs and business of the bank have been so dishonestly conducted that practically all of the assets have been squandered and the depositors defrauded, and it is my earnest wish and desire that every step be taken to bring to justice every misdoer, and that as much as possible be recovered for the benefit of the creditors, and any assistance which I can offer in this regard I am willing to and do hereby extend.

“However, I do not propose to confine myself to expressions of sympathy or regret. I am moved to do

more for those who have lost so much through their belief in the fact that my capital and influence were back of the bank, and after giving the matter very careful thought and consideration, and in full view of the fact that no legal liability rests upon me, I have concluded to make a voluntary payment to you, as receiver, of the sum of \$100,000, that sum being the amount of the total capitalization of the bank and the extreme limit of legal liability which could have been enforced against me under any theory, had I actually owned every share of the capital stock. This amount, added to the available assets of the bank, will enure to the material advantage of the depositors and relieve their distress.

"You will find inclosed my check for \$100,000.

"Very respectfully yours,

"F. Aug. Heinze."

---

"Butte, Montana, November 28, 1906.

"Mr. F. Augustus Heinze, Butte, Montana.

"Dear Sir: I am in receipt of your favor of this date; I have heretofore examined the written assignment and transfer made by you in 1903 of all the stock formerly held by you in the Aetna Banking & Trust company, showing that you parted with all your interest in that institution at that time.

"In view of this fact, I certainly appreciate the voluntary payment which you made to me, as receiver for the benefit of the concern, and believe that all who may have been induced to make deposits in the Aetna Banking & Trust company by reason of their mistaken belief in your connection with that institution, will have rea-

son to congratulate themselves on your magnanimous action in this matter.

"I acknowledge receipt of your check for \$100,000.

"Thanking you in behalf of all the creditors, I remain,

"Very truly yours,

"Eugene T. Wilson,

"Receiver."

This correspondence was given out for publication from the office of the managing director of the Amalgamated Copper company in Butte. The tune of praise was set in high key by Butte and Anaconda papers, and the lavish applause echoed from the editorial columns of the combine press of the state was well calculated to fatten the huge vanity of Mr. Heinze, whatever effect it may have had upon his conscience. It was not only assumed but asserted by these papers that Mr. Heinze had neither legal nor moral responsibility to the dupes of the wild-cat bank which he had established in their confidence and operated for his own profit. A paternal government finally developed a less generous view of the conditions, and proceedings were instituted by government officials to recover from Heinze the money lost by depositors in a bank which had not been lawfully established and conducted as a legitimate banking enterprise, with respect to the laws either of Montana or the United States, however it may be in West Virginia.

While Messrs. Heinze and Ryan were working thus harmoniously in Butte to vindicate the Heinze character from responsibility for the Heinze bank operations, both Heinze and Ryan were extending their banking interests in larger fields. If any evidence should be needed to show the intimate relation between stock-jobbing and banking, and the tremendous interest of the Napoleons of high finance in both, it ought to be found in the fol-

lowing story, printed in The Anaconda Standard, February 9, 1907, credited to the New York Commercial, for long time an organ of Amalgamated interests in the financial center of the country:

"In Wall Street the impression is that the establishment of this house is the direct desire of the Amalgamated Copper company and the tremendous interest closely allied with it to have a financial representative among the banks controlled by men who not only are thoroughly in touch with the copper interests, but understand their wants and needs.

"News of the intended formation of the National Copper bank came from Washington, the application to organize having been approved by the comptroller of the currency. The bank is to have a capital of \$2,000,000 and a surplus of the same amount, fully paid in; it will begin business about May 1, in the new Trinity building at 115 Broadway and the incorporators are John D. Ryan, Thomas F. Cole, W. A. Paine, Urban H. Broughton and W. B. Dickson.

"The names given as incorporators, which also are mentioned in the application to the comptroller of the currency at Washington, are well known in mining and business circles. John D. Ryan is president of the Anaconda Copper company, managing director of the Amalgamated Copper Company and one of the controlling factors in the Butte Coalition, Greene Consolidated and Cananea Central companies. William A. Paine is president of the Copper Range Consolidated company. Thomas F. Cole is president of the Oliver Mining company, the mining end of the United States Steel corporation, president of the Butte Coalition and Greene-Cananea companies and identified with the Calumet & Arizona, Superior & Pittsburg and many other mining companies.

U. H. Broughton is president of Utah Consolidated and managing director of the United Metals Selling company. W. B. Dickson is first vice president of the United States Steel corporation and a director of the Butte Coalition company.

"Mr. Ryan, in connection with Mrs. Marcus Daly, the latter being, it is said, also interested in the new bank, owns a chain of banks in the principal cities of Montana. Messrs. Cole and Ryan are stockholders in two of the largest banks in Michigan, the First National of Calumet and the First National of Hancock; Mr. Cole also is understood to be interested in banks in Duluth and in the iron mining districts. The Greene Consolidated Copper company, controlled by the Cole-Ryan combination, owns the Bank of Cananea, in Mexico. Mr. Ryan is better known in connection with the new financial enterprise than any of the other incorporators. In speaking of the new institution he said:

"People connected with the large copper interests of the country have agreed to join in the enterprise. The bank will do a general banking business, but will pay particular attention to mining interests. The mining industry has reached such large proportions as to convince one that a bank, the interests of which are familiar with the affairs of mining companies, will be a desirable institution.

"The copper companies are very strong, from the standpoint of surplus cash, and we hope to make this bank of material assistance in making a good, profitable and safe use of the surplus funds of the companies that do business with it. The interests identified with the organization of the bank expect to do a large business with country banks, particularly banks located in the mining sections. In addition to the men directly con-

nected with the copper business, a large number of bankers in the mining districts of the country have become interested in the enterprise.'

"It has been known for some time in the financial district that the copper interests represented by the Amalgamated company and the companies affiliated with and subsidiary to them wanted a bank. The new institution has a tremendous field to work in, as the bankers of this city never have paid much attention to the mining industry. Therefore the organizers of the National Copper bank believe such an organization as this will be freely patronized and begin business with a heavy line of deposits. Apart from the Amalgamated and its constituent corporations, it is estimated that the treasuries of the companies controlled by the men who will be connected with the new bank now are holding not less than \$35,000,000 in cash, and possibly more.

"The Heinze interests, which are not altogether in harmony with those which are backing the National Copper bank, have a banking group of their own. F. A. Heinze recently was elected president of the Mercantile National bank, while his selection as president of the Consolidated National bank has given some color to the belief that E. R. Thomas and his associates have allied themselves with the copper combination represented by Mr. Heinze. The scope of the banking ambitions of the so-called Heinze copper men is revealed, to date, by their election to a voice in the affairs of eight New York banks and two trust companies. These have a combined capital of \$5,900,000, surpluses of more than \$7,000,000 and deposits of more than \$40,000,000."

## Losses to Public, to Industry, and to Investment, through Combine Enterprise

A stock plea by lobbyists and promoters in behalf of combine enterprise, to secure public support or toleration for schemes in exploitation or confiscation of resources by stock-jobbing corporations, is found in the claim that outside capital is necessary to development and is beneficial to other interests within the state. The favorite justification for combine usurpation of the powers of government and for the corruption of political agencies is based on the pretense that these crimes are necessary to protect the great interests of such corporations in their legitimate business. Such pleas and explanations by and for the Amalgamated Copper combine in Montana are in direct conflict with the pleas and explanations, offered by other promoters and "cappers" for the same gamesters, to influence investors in stocks and bonds in New York and Boston and elsewhere. In those places, as the files of combine organs will prove, investment is enticed with alluring reports of marvelously rich natural resources secured in Montana, and of great economies and gains for stockholders through combine control of affairs in that state. At both ends of the line, and in all places, all these pleas and explanations are designed and made to accomplish the deception and robbery of somebody. The most expert statistician employed by the complex corporate organization, with all its finely detailed reports available to his

use, would be perplexed to show where or when the projectors or managers have invested in copper properties in Montana any money which was not taken out of Montana; or where or when they have invested in other enterprise in that state outside capital which was not borrowed or obtained by them with natural or public resources of Montana as security, for the amount of the actual investment several times over, and with a wholesale swindling of the actual investors by gross over-capitalization or jobbery in watered stocks.

The copper combine management, when it organized, found the copper industry in Montana developed and being operated with mutual prosperity for its owners, its employees, and the business public of the state. It compelled the stockholders to pay more than twice what the property cost to obtain it from the owners, thus practically securing to the management possession and control of the properties without expense to itself. In subsequent operations in Montana and in the stock markets, this management has imposed great loss and hardship upon wage-earners and business men in Montana and upon its stockholders everywhere. The chief men in this management have not only caused loss to stockholders by depreciation of stock values and by lack of adequate dividends from earnings, but they have swindled these investors through organizations within the organization as well as by use of company influences and resources in outside enterprises wherein Amalgamated stockholders had neither interest nor share in gain. That is not all this enterprising aggregation of Napoleons of high finance have done for the people of Montana, and for the investing public everywhere that copper mining stocks have found purchasers. By combine methods in furtherance of monopoly enterprise they

have destroyed or discouraged the development or operation of independent copper mining companies, have decreased the production and increased the cost to consumers, and at the same time by their stock-jobbing swindles have brought the mining industry into disrepute as a security for stock investment.

Here are a few of the specific results in the way of development in the state of Montana through copper combine enterprise and management since the year 1900: Seven great independent and competing copper mining companies have been reduced to one. The net earnings or profits which formerly went in large part to citizens of Montana now go to outsiders. Four great smelting and reduction works, under separate ownership, management and operation, in the city of Butte, have been closed down and dismantled, with loss of employment to thousands of men, consequent loss of population to the city, and resulting loss in trade to business. The great copper refinery constructed at Anaconda has been closed for nearly ten years, and copper produced in Montana is refined in the east. The wage-earning population in mining and smelting towns within the state has been largely changed from home-building citizens, with American ideals and standards of living, to immigrants from southern Europe, who to a large extent live herded together in filthy tenements, under conditions which would be intolerable to family life, and by means which conduce neither to public health nor business prosperity. There have been four complete or partial suspensions of operation in combine mines and smelters within a period of eight years, for the various purposes of influencing state legislation, of intimidating or weakening wage-earners, or to secure higher prices for copper by curtailment of production. Montana has been compelled

to yield to Arizona place and prestige as the leading copper producing state of the country. A report of the United States geological survey, published in the summer of 1912, shows that the production of copper in Montana in 1911 was decreased from that of the preceding year by 11,960,848 pounds. The reports of combine organs and stock exchange journals show that this decrease was the result of an agreed policy of copper combine promoters to increase prices by reducing production. The same report by the United States department shows that for the same year the state of Arizona increased its production over that of the last previous year by 8,650,387 pounds. In Arizona the greatest copper producing properties are not owned by the copper combine.

That is not all. While the combine management has obtained ownership or control of nearly all the developed mining properties in the Butte district, there are hundreds of undeveloped claims adjoining or near its properties. It is asserted that owners of these claims are confronted with a combine policy which destroys the value of the properties so far as the owners are concerned. The experience of the Tuolumne Mining company, the Butte and Balaklava company, W. A. Clark, J. A. Murray, and other less prominent operators in the camp, demonstrates that an independent mining enterprise is under constant menace of litigation with the combine organization, under conditions which make justice unprofitable through expense if not impossible of attainment. It is believed by some of the owners of these undeveloped claims that the big company has determined not to purchase new claims in the district. Its own claims are scattered over the district and it has been charged that the company has pursued the policy

which, in previous times, it complained so loudly against as pursued by Mr. Heinze. The Heinze operation, as proven in federal court, was to sink a shaft on his own property, prospect the surrounding country underground, and where valuable ore bodies were found the ore was extracted with no redress for the owner of the claim from which it was taken excepting proceedings in courts in a community where Heinze influences controlled the election of judicial as well as other public officials. Mr. Heinze was finally overtaken and convicted because his victim was the combine corporation with ample resources to compete with him both in development work and in litigation. Most of the owners of undeveloped claims in the Butte camp at the present time are not able financially to sink shafts 1,500 or 2,000 feet to ore veins, and, if they were and did so, they have the experience of other independent operators with real or threatened litigation by the combine to discourage such enterprise. The only obstacle in the way of combine adoption, and perfection in use, of the Heinze plan might be combine honesty; and a prominent official of the combine has been credited with casual remark that it is cheaper to law the owners out of a claim than to purchase it.

The real influence of the copper combine and its part in the growth and development of the state are indicated most convincingly by the census returns. All of the great copper mines and the great smelters of the combine company are located in the counties of Cascade, Deer Lodge and Silver Bow. In these counties are located Butte and Great Falls, the first and second cities of the state in population, and Anaconda, which was close in the race for third place prior to Amalgamated company organization. In these cities five of the largest and most

widely circulated daily newspapers of the state are published, and in all three there are organizations maintained to co-operate with the papers to promote the growth of the towns. The census returns of 1910 show that the population for the state of Montana increased during the preceding ten years 54.5 per cent. During the same period the population of Cascade, Deer Lodge and Silver Bow counties, together, increased 8.6 per cent. In 1900 those three counties contained more than one-third of the total population of the state. In 1910 there were seven agricultural counties in Montana each one of which had shown greater increase in population, and greater development in material progress, than the three counties dominated by copper combine interests and influences taken together. Deer Lodge county, where combine rule and ruinous methods are most complete, showed an actual loss in population for that census period, after due allowance for loss of part of its territory by a county division.

In Butte and Anaconda, the allied interests have applied combine methods and monopoly plans as rapidly and as completely as possible to mercantile and banking business, and, to some extent, to professional occupation. The result has been retiring merchants, vacant stores, and depreciated values of city realty for both business and residence uses. Great Falls has improved and grown to an appreciable extent because it is in the center of a large section of agricultural and livestock country tributary to it, and has benefitted from the general growth of the whole state in population and improvement.

No one can measure the losses to the people of Montana in material as well as more important things through corrupt combine enterprise in politics and in

society, and through interference with the conduct of educational, charitable and penal institutions in the state, as well as with legislatures and agencies of justice. The mere financial cost to the public has been enormous. The tremendous burden of court expenses, the aggregate of which is lost to public knowledge by scattering reports of such charges through accounts of county and state departments, is largely due to litigation growing out of combine existence and combine ways of business.

The rewards which the combine management gives to those who survive the punishment from its operations are not so large as the losses suffered; but they afford entertainment, if not nourishment. In 1910, after the Anaconda company—under the operations of new combine laws, secured from the Montana legislature in 1909 for the purpose—had swallowed the Amalgamated mergers with all their contents, and absorbed the properties of W. A. Clark as a relish, there was much apprehension among the people of Butte and Anaconda and much business stagnation. Whereupon the president of a business men's association in Butte, which in any emergency is an adjunct of the combine organization, wrote to John D. Ryan and received a reply. Thereupon The Butte Miner of June 3, on its first page, with the large headlines printed in red ink, gave the people of Butte this strong stimulant:

“JOHN D. RYAN EXTREMELY OPTIMISTIC OF THE FUTURE  
OF THE CITY OF BUTTE.

---

“ADDRESSES REASSURING COMMUNICATION TO THE BUTTE BUSINESS  
MEN'S ASSOCIATION—SAYS BUTTE WILL MAINTAIN ITS POSITION AS  
LEADING COPPER PRODUCING DISTRICT OF THE WORLD.

---

“Expressing every confidence in a greater Butte, both as a leader in the copper production of the world and as a commercial and distributing center. John D. Ryan, president of the Amalgamated Copper company, has addressed the following characteristically optimistic letter to the Butte Business Men's Association:

“ ‘New York, May 27, 1910.  
“ ‘Butte Business Men's Association—Herman Blank,  
Esq., President; Ernest A. Hardcastle, Esq., Secretary,  
Butte, Mont.:

“ ‘Gentlemen:—I beg to acknowledge the receipt of your letter of May 1, which would have been answered before, except for some pressing matters that were of interest to Butte that have been under consideration in the meantime.

“ ‘I note your request for an expression from me regarding the general business outlook for the city of Butte, and I am glad to comply and hope that by so doing I can add to the prosperity of the city and the confidence of its citizens in its welfare. There is nothing that I can see that should interfere with continued and increasing prosperity for Butte. Its mines are better developed, more economically worked and, considering the returns from the sales of metal, more profitable than they have been at any time in the history of the district.

“ ‘The purchase by the Anaconda Copper Mining company of the properties of other mining companies will insure stability, permanence and economical opera-

tion, all of which must be of great advantage to the business community, because it will mean extension of operations and steady employment of labor.

"The price of copper is quite low at the present time, but the consumption of it the world over is greater than ever and there is a demand, I believe, for all that is being produced at the present time. In isolated cases an individual mine elsewhere may produce copper cheaper than the average cost in the Butte camp, but I have for years contended, and am perfectly sure I am right, that for every such low-cost producer there is a mine in Butte that will more than match it in cost per pound, and the fact is that the average cost of the copper in the Butte camp is low enough to enable the district to maintain its position as the leading copper producing district of the world.

"The investment in the mines of Butte is so large that it practically guarantees continuous and increasing operations, and the security of the business community and the owner of property is greater because of the removal of all chance of extensive litigation that in the past has threatened, and might have caused, serious consequences, by preventing the working of important producing mines.

"In short, I feel I can say to the people of Butte and Montana, that the mining operations will increase rather than diminish during many years to come, certainly more years than most of us will be here to see, that in my opinion stability will result from recent consolidation of interests and that Butte should and will prosper, extend and maintain itself as the leading mining city of the world.

"In addition to the mining interests of Butte, I feel that the city is bound to have a great future as a distrib

uting center. It is situated so advantageously with respect to railroad communication that it should be one of the important jobbing centers in the inter-mountain country.

" 'I feel so sanguine of a long and prosperous future for Butte that I have been interesting myself in a large way in enterprises that are almost entirely bound up in the welfare of Butte. Very truly yours, (Signed) John D. Ryan.' "

Despite these assurances of stability and increasing operation, within six weeks the worthlessness of Ryan promises was demonstrated by a change in operations cutting off Sunday work in the mines and practically reducing the wage-earning power of the properties, as well as the copper production, by one-seventh of the whole. That this was part of a plan of curtailment upon which Mr. Ryan had been busily employed for months was shown conclusively by articles reproduced in The Anaconda Standard on August 4th, showing concert of policy by the big copper interests to reduce production and to advance prices; and there is fine agreement between the reduction of work in the Butte mines and the percentage of reduction predicted by the Wall Street Journal in this paragraph:

"The Wall Street Journal says that when the Anaconda swings into line with production diminished fifteen per cent. the total output of the mines taking part in the curtailment movement will be approximately 700,000,000 pounds, or fifty per cent. of the entire amount of copper produced in this country, Canada and Mexico.  
\* \* \* Curtailment by properties in which owners of the foregoing companies are directly or indirectly interested will bring the total properties committed to curtailment to easily seventy-five per cent., if not a greater proportion of this country's production."

It was added that "The United Metals Selling Company, the only agency with any volume of nearby copper for sale, holds the key to the present price situation". And it might have been added that the United Metals Selling company also was owned by the Amalgamated Copper combine, which thus held the key to the price situation as well as to the prosperity of the state of Montana.

Besides the loss in industry, in investment, in taxes, in increased cost of government, in public morals and public service, there is the great and increasing loss of life and health to employees in the combine's properties. Each year the state mine inspector reports the increasing dangers of accidents and the growing need of more sanitary conditions in the Butte mines, with recommendations for improvement with needed legislation. Each year a combine-ruled legislature has ignored or neglected the subject until in 1911 when a committee, made up largely of combine servants, was appointed to inspect the mines of the state, particularly those of Butte, and ascertain their condition in respect to ventilation, sanitation, and safeguards against injuries to miners. The honorable committee spent two days in Butte, practically with its members as guests of officials of the copper corporation, and returned to the state capital with announcement that it would receive evidence from miners and mine-owners concerning the state of the mines underground; which was equivalent to saying that it would receive evidence from mine owners and from miners who were prepared to give such evidence as the mine owners desired, because no miner who wished to continue his occupation in Butte would be likely to present any evidence of any other kind on such an occasion. And the proceeding ended as it was planned that it should end when it was planned to begin. Meanwhile "miners'

"consumption" has become a disease common and fatal in Butte. In his report for that year of 1911, the state mining inspector said: "I cannot conclude this article without calling the attention of the legislative assembly to this most important question of ventilation. Up to the present there has been not anything of vital importance done. In the meantime miners' complaints have been rapidly increasing. Men at the age of forty-five have to quit mining in search of more congenial employment, and many of them cannot work at all and their existence has become merely a living death. The mines of Montana have earned millions of money in dividends and have made many men wealthy; surely it is a reasonable request for the miners to ask that a portion be at least expended in ventilation and sanitation in the mines of this state."

The legislature did not regard it as a reasonable request, as shown by its action.

## A City Under Combine Rule; Anaconda for Example

If you should see a flock of pigeons in a field of corn; and if (instead of each picking where, and what it liked, taking just as much as it wanted and no more) you should see ninety-nine of them gathering all they got into a heap; reserving nothing for themselves but the chaff and refuse; keeping this heap for one, and that the weakest, perhaps, and worst pigeon of the flock; sitting round, and looking on all the winter whilst this one was devouring, throwing about, and wasting it; and if a pigeon more hardy or hungry than the rest touched a grain of the hoard, all the others instantly flying upon it, and tearing it to pieces; if you should see this, you would see nothing more than what is every day practised and established among men. Among men, you see the ninety-and-nine toiling and scraping together a heap of superfluities for one; getting nothing for themselves all the while, but a little of the coarsest of the provision, which their own labour produces, looking quietly on, while they see the fruits of all their labour spent or spoiled; and if one of them take or touch a particle of it, the others join against him, and hang him for the theft.

—Paley's Moral Philosophy.

Most favored project created from the great brain and weath and power of Marcus Daly, Anaconda has been a city of many marvels in its time. It was the basis of his worthy pride, the state capital of his fondest hope, to be the enduring monument to his successful work in the world. Located at the base of the mountains, at the head of a broad and fertile valley, there was beauty of scenery and environment to support the generous plans with which Anaconda started as the site of a great and prosperous city. Greatness and prosperity belonged to

it from the start. The assured industry, with pay rolls greater than most urban communities with 50,000 people can boast of, furnished argument and incentive for ordinary city enterprises, as well as basis of support for all. The broad business streets were lined with blocks occupied by competing merchants and thronged with crowds of customers with means to purchase. The Montana Hotel, planned for the entertainment of statesmen and lawmakers, was for years advertised as "the handsomest and most elegantly appointed hotel in the United States". The leading theater was regarded worthy to wear the name of the wife of the famous mining man. The courthouse in size and cost compared favorably with the first state capital, located elsewhere than the site designed for it in Anaconda. The town was made the principal place of business of the Anaconda Copper Mining company, and its general offices were established there. Its race track and race meetings compared and competed successfully with the best in the intermountain country. With a population of less than 10,000 people, Marcus Daly's money and influence started and established in Anaconda what was for some years the greatest and most widely circulated newspaper between the Mississippi river and the Pacific coast. Whatever a modern city might need and ready means could obtain belonged to Anaconda. Among its other adornments was a public library, endowed and maintained by private support, which excelled similar institutions in rival cities throughout that region. And there was, from the start, the plan for and growth of the greatest smelting works in the world. It was a one-man town, of course, but the town of a man prodigal in its support and ready to welcome to partnership on generous terms all who would contribute to its growth or glory.

Polite society had not then learned to recognize the hog as the king of beasts. The mines and smelters in those times were dedicated to the profits and betterment of home and city builders, instead of home and city builders being dedicate to the profits of mines and smelters.

When the Amalgamated Copper company acquired control of the Anaconda Copper Mining company, it secured possession of various public utilities, besides the smelters and refineries, in Anaconda. Since that time it has confiscated the powers of city and county government and many of the most valuable rights and privileges of the people. So many of the inhabitants at the present time as are not creatures of servitude, toiling for the enrichment of non-resident speculators and serving them in civil and in private life as well as in labor, are under ban and boycott of the combine power which rules the city with more absolute tyranny and terrorism than an ordinarily merciful master would exercise over slaves. The Daily Anaconda Standard is still published, but there is no free press in Anaconda. There are party organizations, and party conventions, and public meetings, and political campaigns, but there is not freedom of speech in Anaconda. There are churches, and priests, and preachers, and congregations, but there is not religious freedom in Anaconda because any pulpiteer who should preach the gospel of Christ in Anaconda and give it application to conditions which exist there would scare away his congregation and lose his means of support. Government is not free. The ballot is not free. Anaconda is called the "City of Whispers", because there is hazard in using the vocal organs above an echo of the master's voice.

Would you live in Anaconda? Go to the combine's townsite company and buy your lot. Go to the combine's

lumber company and buy your building material. Go to the combine commercial company for your furnishings, and for your provisions, and clothing. Go to the combine's water company for your water supply. Go to the combine's electric company for your illumination. If you are ill, the company doctor is highly recommended. If you die, there is a lot in a cemetery which can be procured by your survivors with profit to the combine, and, if a monument be desired, the combine has a stone quarry.

You will ride into Anaconda by paying your fare to a combine railway conductor, and if you take a street car in the town you will do the same thing.

The great smelters are just outside the city limits, so that they contribute nothing in the way of city taxation to the expenses of the municipal government which they use in their business. A city thus situated, and peopled, and governed, under the direction of managers of a combine organized ostensibly to establish economy might be cheaply conducted; and in some ways it is. But there are extravagances. In 1910 it was stated that the general fund of the city amounted to \$32,965. With such an income the city paid for lights and water, for city service only, during the year 1909, the sum of \$17,460, a trifle more than one-half of the entire city fund for these two utilities for public use. The water is taken from an abundant supply, supplied by gravity for smelter use as well as city purposes. Electricity is transmitted to Anaconda from the Missouri river for combine use at a cost of less than one-eighth the price ordinarily charged the city and private consumers in Anaconda until publicity of the extortion and a stubborn mayor secured from the combine management, at one sweep, a reduction of nearly fifty per cent. Largely

through these extravagant charges against tax-payers by the combine, the city within a few years contracted an indebtedness of about \$50,000 in excess of the lawful debt limitations. The Daly Bank of that city, closely connected with corporate interests, was reported to have held much more than one-half of the securities of indebtedness, representing some part of illegal indebtedness. Here was high finance in a small way. The taxpayers of Anaconda were obliged to contribute interest money on unlawful city debts to the profits of combine corporations, after paying extravagant charges by the combine for public services which thus created the unlawful public debt.

In a previous chapter it was told how Managing Director John D. Ryan, in the year 1907, utilized combine power to end a spirited contest in a school election in Anaconda, by frightening all of the candidates to the point of withdrawal, and compelled the selection of a school board through appointment from a list furnished by himself. A sequel, indicating the effect of skillful training of voters, by powerful influences, was furnished in the school election in Anaconda in the spring of 1910. There were approximately 10,000 people in Anaconda, under normal conditions divided, as are people of other communities, by political, religious and other questions. That year the sitting members of the school board were candidates for re-election. No other candidates appeared or were named by anybody. Out of 10,000 people, more or less, for an election at which both men and women are allowed to vote, exactly ten persons registered, and eight votes were cast at that election. The copper combine management of school affairs in Anaconda plainly was more completely satisfactory than public management of such institutions is in any other city of the United States of equal size.

It is not only by running smelters, and railroads, and water companies, and lighting companies, and company stores, and city government, and hotels and school boards, and interest accounts on city deficits, that the combine management endears itself to the people of Anaconda with its public-spirited concern in the welfare of those dependent upon it. It is a great little farmer, this \$155,000,000 copper combine organization. It engaged in farming to convince judges that farmers in the Deer Lodge valley, who were prospering at the business there before copper was smelted in Montana, did not employ right methods in farming if they could not conduct the business of growing crops and livestock successfully under the precipitation of sulphur and arsenic from smelter stacks. Among other results of the expensive experiment farm established by the combine in the Deer Lodge valley, was a state fair exhibit in 1910 by the Anaconda Copper Mining company, of pure breed Hereford and Holstein cattle. There were sixteen prize creatures, each as carefully combed and cleaned as any pet lapdog of any pet wife of any Napoleon of finance in New York's four hundred; and the names of these copper combine cattle products were worth while. Each name was blazoned on a handsome card hung above the beast, and they were known as follows: Alto Hesiod, Priscilla Mapleton, Lady Percifal, Rexford, Derbyn, Napleton, Rex Maximus, Princess 18th, Willow Druid, Lady Percifal 2nd, Sir Korndyke, Willom Gerbon Sylark, Queen Colanthe, Hilda Colanthe. From its abundant resources the copper combine management had been able to purchase a fine herd of thoroughbreds from a stock farm far remote from smelter smoke, and to contribute to the fame of Anaconda at a state fair. But it did more with this "Willow-Glen stock farm". With-

out the organization of any new company, or any additional capitalization so far as known, the combine established a milk route in Anaconda, and peddled fresh milk at going prices.

There are amenities of life in Anaconda, apart from breathing, also under combine management and direction. On rare occasions the Napoleon of finance to whom the people owe so many of their blessings, comes from New York to Butte, and, on very special occasions, visits Anaconda. Then the incorporate gratitude of the town bursts forth in all its jubilant spontaneity. One of these general celebrations was held on a Saturday evening, in March, 1908, which was exceptionally impressive. To full appreciation, it should be remembered that mines and smelters belonging to the Amalgamated combine were closed down, following the stock-gamblers' panic of 1907, and the winter of 1907-8 was largely utilized by the people of Anaconda, who were able to remain in the city or unable to get out of it, with wondering when the smelters would be started again. Mr. John D. Ryan had spent the winter in Southern California, in part, and the other part in New York, recovering his health, his control of combine affairs, and some other things of inestimable value to the people of Montana. Operations at last had been resumed in large part in the great industry, and Mr. Ryan visited the state, and incidentally Anaconda, to reassure the people with his promise that everything would be prosperous and lovely in the future. The account of what happened, how it happened, and by whom it was helped to happen, is told by the combine's official organ, certainly with best of combine authority and approval, in *The Butte Intermountain* of March 16, 1908, in the following graphic style:

"Anaconda gave John D. Ryan a surprise party on Saturday evening—a real old-fashioned surprise party,

not the kind where folks know that something is coming and get all ready for it, but one of those that fairly sweeps the victim off his feet and makes him feel as though he would like to laugh and to cry and not do either, in the midst of his conflicting emotions, but accept all that is handed to him with a sort of helplessness that comes to a man when he finds that he is powerless in the hands of his friends.

"Mr. Ryan knew that the Anaconda club was going to have a smoker to celebrate the appearance of the smoke from the big stack, but that it was any more than one of those jolly informal affairs for which the club is noted he had not the faintest idea. Nor were his friends who accompanied him from Butte to this city any wiser.

"The details were all carried out to a nicety and in no way failed. A lookout on the smelter hill gave notice of the approach of the train bearing the visitors, and the whistles took up the signal and began to sound their hearty greeting. One by one the sirens of the foundry, the brick yard and the down town industries joined in the chorus. When the train pulled into the Anaconda depot there was the Anaconda Military band playing a welcome, and a throng of Anaconda citizens, with a reception committee headed by Mayor Evans, to greet the visitor. As Mr. Ryan appeared on the platform of the car a tremendous cheer drowned the music of the band and the noise of the whistles and all else, so that the program was carried out in pantomime so far as the spectators were concerned, and Mayor Evans handed over to the guest a mammoth copper key to the city of Anaconda.

"A carriage gloriously decked in the national colors and the famous 'copper and green' was in waiting and Mr. Ryan was conducted to it by E. P. Mathewson, and

with C. F. Kelly and John Gillie as the other occupants, dropped into line behind the band that headed the procession to the Montana hotel. A cheering crowd filled the street and the sidewalks, making slow progress to the hotel. Everybody and his family was in the welcoming host, from the merchants and their clerks, professional men, mill and smeltermen, to the newsboys with their drum and flag.

"It was the intention to go to the public square, but the crowd massed about the hotel and a stop was therefore made there, and from the steps Mr. Mathewson held up the copper key and called for attention.

"Mr. Ryan needed no introduction, and as he stepped forward it was the signal for another outburst of cheering, that continued while he bowed his acknowledgements and then began speaking his thanks and appreciation for the reception accorded him by the people of the city. He was deeply touched by the friendship and hearty greeting accorded to him. No one was as glad as he that he was able to be in Montana again, and that he had brought the good news, he declared, was not due to himself, but to the kindness of the directors of the company, who permitted him to be the messenger to announce the resumption of the work at the mines and smelters. He disclaimed entirely that he was in any way responsible for the resumption, and maintained that the officers of the company were all anxious as he to start work going again in the production of copper.

"Again and again he was cheered, till the flags on the staffs fluttered with the noise, and when he had closed his remarks the crowd lingered till invited by Mr. Mathewson to return later in the evening and meet the guest of the evening at the reception tendered by the Anaconda club.

"Mr. Mathewson was the host at a happy little dinner party given in the Montana Red Room. Covers were laid for fourteen and the following guests sat at the table: John D. Ryan, John Gillie, H. A. Galwey, John Adams, Captain D'Gay Stivers, B. H. Dunshee, Reno Sales, C. F. Kelly, Mayor O. C. Evans, Dr. J. F. Spelman, J. H. Tolan, J. H. Durston, A. C. MacCallum and Mr. Mathewson.

"The 'smoker' given by the Anaconda club was held in the dining room of the hotel and the clubrooms, which were thrown open to the public. A cosmopolitan crowd gathered and filled the rotunda of the hotel long before the hour announced, and when the dinner party was over, Mr. Ryan held a reception at which hundreds availed themselves of the opportunity of taking him by the hand and congratulating him upon his restoration to health and to thank him for his efforts in behalf of Montana."

"Among those present", it will be observed, was Mayor Evans of Anaconda, who was a brother of Attorney Evans of the combine's legal department. E. P. Mathewson was the manager of the smelters in Anaconda, as well as of the town generally. C. F. Kelly was chief of the combine's legal department in Butte. John Gillie was general superintendent of the Amalgamated Copper company in Butte. H. A. Galwey was manager of the Parrot Mining company of the combine in Butte. John Adams held a managerial position in the Boston and Montana copper mines of the combine in Butte. Captain D'Gay Stivers was another member of the legal department of the combine in Butte. B. H. Dunshee was another mining superintendent of the combine in Butte. Reno Sales was geologist and expert witness for the combine in Butte. Dr. J. F. Spelman was the com-

pany physician in Anaconda. J. H. Durston was editor of the combine organ in Anaconda. A. C. MacCallum was an Anaconda merchant who was friendly to the company on occasions like that, and allowed to do business in town. Mr. John D. Ryan at that time was managing director of the Amalgamated company and president of the Anaconda Copper Mining company. Unprejudiced persons must be convinced, by this account, that the manner in which these subordinate officials of the combine "surprised" Mr. Ryan with an outpouring of helpless employees in Anaconda for an observance of this character, was one long to be remembered by everybody concerned as conclusive demonstration of existing joy and future prosperity in Anaconda forever more.



## An Awakening People and Signs of Revolution

Reform! Reform! the swinish rabble cry—  
    Meaning, of course, rebellion, blood, and riot—  
Audacious rascals! you, my Lords, and I,  
    Know 'tis their duty to be starved in quiet:  
But they have grumbling habits, incompatible  
    With the repose of our august community—  
They see that good things are with us come-at-able,  
    And therefore slyly watch their opportunity  
        To get a share;  
        Yes, they declare  
That we are not God's favorites alone—  
That they have rights to food, and clothes, and air,  
    As well as you, the Brilliants of a throne!  
    Oh! indications foul of revolution—  
    The villains would destroy the Constitution!

—From an old English Broadside.

The newest history is very old. The first recorded facts of man enterprise, written in symbols or carved with tools of savage invention in wood or stone, then were ancient history—told in many ways and many times through tradition since primitive man, in abject fear and utter ignorance, was drafted under the inexorable laws of his destiny for service in the perpetual war between right and wrong, between freedom and bondage, between justice and oppression, between humanity and selfishness, between heart and mind, between immortal longings and mortal ambitions, for human progress and the civilization of the world. Wherever the battle rages most fiercely, however discouraging the reverses or temporary

defeats, whatever the delays or postponements may be, all history still is an account of progress and a prophecy of triumph for reason over prejudice, for right against might.

Truth does not yield to falsehood. It follows the world's criminals like a bad habit. They cannot escape it in life. After death it puts the finishing touches on "self-made men who worship their creators". False professions of good faith will not serve long to confuse the truth here; and there is no authentic record in any history, sacred or profane, to justify the hope of the hypocrite that they may serve hereafter. In the commerce of crime there have been found graceless ministers of church as of government, abusing power and betraying trust to peddle special privilege at a price, and revolutions with loss of power to offenders have followed both offenses. No judge of competent jurisdiction has been yet found to nullify God's law of compensation by adjudging crime to be reasonable and punishment unnecessary in the enforcement of the law.

Pleading against denial of justice, making history now more than century-old in Great Britain, recalling conditions and influences and results growing out of the dark ages, Curran fitted his sublime faith in man and justice and God for useful instruction and appeal to the powers and people of Montana in this year of grace, when he said:

"Turn your eyes to those pages of governmental abandonment, of popular degradation, of expiring liberty and merciless and sanguinary persecution—to that miserable period in which the fallen and abject state of man might have been almost an argument in the mouth of the atheist and the blasphemer against the existence of an all-just and an all-wise First Cause, if the glorious

era of the Revolution that followed it had not refuted the impious inference, by showing that, if man descends, it is not in his own proper motion; that it is with labor and with pain; and that he can continue to sink only until, by the force and pressure of the descent, the spring of his immortal faculties acquires that recuperative energy and effort that hurries him aloft—he sinks, but to rise again. \* \* \* It is in a period like that, that the tyrant prepares for an attack upon the people, by destroying the liberty of the press—by taking away that shield of wisdom and of virtue, behind which the people are invulnerable—in whose pure and polished convex, ere the lifted blow has fallen, he beholds his own image, and is turned into stone. It is at those periods that the honest man dares not speak, because truth is too dreadful to be told; it is then humanity has no ears, because humanity has no tongue. It is then the proud man scorns to speak, but, like a physician baffled by the wayward excesses of a dying patient, retires indignantly from the bed of an unhappy wretch, whose ear is too fastidious to bear the sound of wholesome advice, whose palate is too debauched to bear the salutary bitter of the medicine that might redeem him, and therefore leaves him to the felonious piety of the slaves that talk to him of life, and strip him before he is cold."

The modern corporate combine is a marvelous organization of power. It has been greatly improved since Mr. John D. Rockefeller's pattern of corporate monopoly earned recognition as the most perfect business organization in the world. Excellence in efficient use of power must be admitted where industry and commerce and accumulated wealth and government, all, are subjected to one control and management, in the greatest free nation on earth. Yet more complete mastery of peoples and

resources has been obtained—and lost. Man-made power has not been devised superior to the Power which made man. The love of liberty is yet stronger than the love of gold. From the realization of injury comes the resistance against wrongs. The individual is helpless in struggle with combine power. With an aroused people, corporate power is made to serve public interests or it is overcome. This is yet history, and not prediction, in process of demonstration even in much-conquered Montana.

In Montana, as in many other states of the union in present times, there is much discussion of principles and men, and much babble about radicals and conservatives, and socialists and bosses, and constitutions and revolutions. There is fine affectation of profound regard for constitutional government by many public men who have been perjured witnesses for the constitution from the time when they took the oath of allegiance and swore to uphold and defend it. It is the policy and practice of combine bosses to discredit, as radicals and revolutionaries, those citizens who may have the temerity to believe and to say that the people should have the rights and benefits guaranteed to them by the constitution. If patriotic public men are not thus silenced, efforts are made to discredit them in public opinion, and to keep them from public service, by attaching to their records the stigma of combine support and combine service in past time; as if it had been possible within recent years for any man conspicuous in public life in the state of Montana to have escaped either; or as if a combine management would waste money and influence in opposing earnestly any capable man who could be controlled by it.

The leaven of independence was working in the mass in Montana while the corporation tools were perfecting

their control of organization and leadership. As early as the year 1909, a newspaper solicitor who travelled throughout the state reported, as in evidence of the great growth of population, composed of reading people, in certain agricultural portions, the fact that news agents had told of multiplied sales of popular magazines and periodicals. Further investigation discovered the fact that this increased demand for publications from outside Montana was for Collier's Weekly and for magazines described as Progressive. The following winter, United States Senator Joseph M. Dixon had joined the insurgent contingent in the United States senate and earned the undying hatred of combine managers with successful championship of legislation to lessen discrimination and insure lower charges in transportation service. At the republican state convention in 1910, Senator Dixon was called upon to address the delegates. In that address he said:

" 'New occasions teach new duties,  
Time makes ancient good uncouth,  
We must ever up and onward  
If we keep abreast of truth.'

"Notwithstanding its great and unparalleled record of human achievement, there is no use in our disguising the fact that for some months there has been a struggle going on for the control of party leadership and the control and direction of party policies.

"There has been some confusion and some uncertainty as to the real and vital issues involved. But, as Senator Cummins of Iowa said some weeks ago, the contest is not ephemeral.

"While we cannot all agree as to details, the general issue involved is as old as Magna Charta, and as certain as that involved when the republican party was first

formed, under the oaks at Jackson, Michigan, 54 years ago—and that is the right of the individual citizen for equal opportunity and against the insidious encroachments of special interests. It is the old contest between the progressive liberal and the Bourbon reactionary.

"Theodore Roosevelt epitomized the whole matter when he declared for the 'square deal' not only in private life, but in public legislation. Generally speaking it is the old doctrine that public office is a sacred public trust, to be administered conscientiously for the benefit of the whole people, to the best of the representative's ability, and not for the financial advantage of the powerful combinations that seek for special privilege, for personal, selfish gain and aggrandizement.

"There is a new spirit that is arising in modern politics. The old system of special favors to the favored few is about to become a thing of the past in the political life of this nation.

"Concretely put, it means that no longer shall there be permitted combinations that shall control the national resources of all the people for the enrichment of the few, to the detriment of the many.

"It means that the few shall not monopolize the coal and timber and water power and transportation of this nation without some kind of governmental regulation. It means that the people of Montana are not going to sit supinely down and allow transportation systems to deliberately swell their capitalization by watering their stocks and bond issues, and then compel you to pay perpetual tribute on ready-made dollars in the shape of freight and passenger charges.

"It means that the people of Montana do not propose to have transportation companies continue to charge us twice the price of transporting our goods that they do

Seattle and Portland for double the service. It means the abolition of that form of cheap, petty graft known as 'railroad passes'. It means the creation of public service commissions to regulate the capitalization of public service corporations and the proper regulation of their charges to a helpless public.

"To get more directly in touch with their representatives at Washington, it means that the people of this country are going to change their former method of electing their United States senators, and in the future they will name not only their senators but every other official in some kind of a direct primary of the individual voter, and not leave the selection of their senators to the determination of 'legislative jackpots', such as they have had recently in Illinois, or even here in Montana.

"For my part I believe that the individual voter has the same right to know whom he is voting for to represent him in the federal senate, when he votes for the member of the legislature, as he has to know who he is voting for for president when he casts his vote for a presidential elector.

"It is my hope that the republicans of Montana will not find themselves out of touch and sympathy with the progressive republican sentiment in other states. I want the republicans of Montana to help swell the 'chorus of the Union' in their demand for twentieth century progressive policies and political methods.

"The people of Montana are not Bourbon—they are not radical—but they are progressive and they believe in the principles of Theodore Roosevelt republicanism.

"The result of the contest within the ranks of the republican party is as certain as the working of the laws of gravity."

This was recognized as treason to government of Montana from New York, but it was cheered by too

many delegates to be resented publicly with a campaign pending involving the return of another United States senator which the corporate combine was intent upon retaining in the service. The defeat of that senator in the succeeding election by the votes of republicans for democratic candidates, in all those agricultural counties where public journals independent of combine control had shown increased circulation, was significant of an awakening among the people to some of the dangers of misgovernment. The word had been passed to trusted lieutenants that Mr. Dixon was marked for defeat in 1913 and the year 1911 was spent by political agents of the copper combine in preparing forces for, and in removing obstacles to, that result.

The contest for control of the first Chicago convention in 1912 presented possibilities in complications in Montana which were embarrassing to the political machine operators. The copper combine was as hostile to Mr. Roosevelt as to Mr. Dixon, apart from many reasons for its gratitude to President Taft. Senator Dixon had become manager of the Roosevelt campaign in the country at large, which insured his absence from the state; but Mr. Roosevelt as a candidate had been always popular in Montana, the progressive republicans in the state had commenced organization work, and there was reason to doubt the outcome of a test of strength by popular vote. Attempt was made to insure the republican party machine leaders against danger of retirement from the organization by ostentatious professions of support for Roosevelt by some of them, at the same time that the machine was set in motion to produce a delegation for Taft. The state central committee was called together, and, under direction of notorious tools of the corporate interests, was manipulated to produce

an endorsement of Mr. Taft and a declaration against the calling of presidential preference primaries. The emergency was too great to rely upon duplicity when the people everywhere were manifesting signs of wisdom respecting what was going on. On March 25th, The Daily Missoulian printed a statement signed by Senator Dixon, and sent from Washington by wire, which closed as follows:

"The issue in Montana is clearly defined. Shall the special interests which know no party allegiance, acting in our own state through the Amalgamated Copper company and its allies, control the republican, as well as the democratic party, or shall the republican party be controlled by the people themselves? There can be no compromise in the situation which confronts us. It is a struggle between two diametrically opposed and conflicting ideals and interests. There is and can be no middle ground. The action of the majority of the state committee at Helena has forced the issue, 'Let him that hath no stomach for the fight depart'."

The combine thus was challenged to battle in the open, but it was able to prevent engaging with the forces of the people in a fair contest. The old caucus and convention system, with its unequal power to organization and its abundant opportunities for the exercise of corrupt influence, produced a Taft delegation by a substantial convention majority in the state; and the combine influences emphasized their power by preventing the election of Roosevelt delegates from Senator Dixon's home county, in his absence. This victory was soon proved a costly one for the victors, exclusive of the manifestly large money expense which it involved. They were still confronted with the same Dixon and the same Roosevelt, more determined in purpose and more ener-

getic in action because of the character of the campaign against them, and which had furnished an abundance of new ammunition against their enemies. The valuable party lines and the precious party organizations in Montana had been destroyed and nobody could tell the consequences, beyond the fact that the combine interests sustained the loss. How badly the corporate political managers were frightened by the results of their own victory was shown to some extent by their conduct. While the delegates elected at a Progressive state convention, called on short notice and representative of nearly every county in the state, were in Chicago assisting in the nomination of Theodore Roosevelt as the candidate of a new party, the organs of the combine in Montana were endeavoring to confuse progressive voters with reports that the combine republican machine managers were encouraging the candidacy of well known progressive republicans, who had not joined the new party movement, for the most prominent offices in the state. These reports suggested Judge E. K. Cheadle, whom the combine had kept from the federal bench with opposition and misrepresentation and abuse, for a place on the supreme court bench; with Judge Henry C. Smith, who was to create this vacancy in the supreme court by the expiration of his term of office, as a prime favorite candidate of the "stand-patters" to succeed Mr. Dixon in the United States senate; and W. F. Meyer, on whose political trail Managing Director John G. Morony had promised to camp as long as he lived, might have a pet ambition realized by a nomination to congress, without effort or even asking. Such suggestions as these might be charged to democratic organs as little by-plays for democratic advantage, if republican and democratic organs alike in Montana were not published in the same interests with a common purpose.

The progressive sentiment, the sentiment in favor of a restoration of control of government through the people, in Montana as elsewhere, is a public sentiment, and not the property of any individual or leader, whether he be for or against combines or corporations being vested with powers of monopoly or of government. The voter who knows that he has been often fooled, it will be more difficult to fool again. In a real conflict between the combines and the people the only place which an ambitious man will seek wisely as a compromise candidate is one in the political graveyard. In any right alignment of the voters in Montana under existing conditions the two old parties is the Company, and the third is the crowd. As authority, or at least a competent witness in respect to awakening public sentiment, take a quotation from Col. Sam. Gordon, grown old as a "regular" in republican party service, and easily the ablest editorial writer on political subjects within the state. In his "*Daily Yellowstone Journal*", following the renomination of Mr. Taft, Col. Gordon reviewed the situation and conditions with this conclusion:

"As, on the first issue of January of this year, The Journal announced its adherence to Theodore Roosevelt if he becomes a candidate, so it now announces its fealty to the progressive cause, as opposed to the tenets of republicanism as personified in the candidacy of Mr. Taft. With a strong preference still for "Teddy", the man who gets the progressive nomination will be our man—and it is just as well to have it understood that progressivism in Montana presupposes and embraces opposition to the Amalgamated and all its works. In fact to all of us who call ourselves Montanans, it is really of more importance that the tentacles of our Octopus be clipped, than that a progressive candidate be elected to the pres-

idency. The nation will survive—if it has to—another term of conservative big business, but Montana cannot, must not, stand for any further extension of the influence of the big copper combine. The revelation of its sinister power in the far outlying counties, in the presidential convention campaign this spring, must have been a surprise to many and a warning to all who hope to live free men in this state."

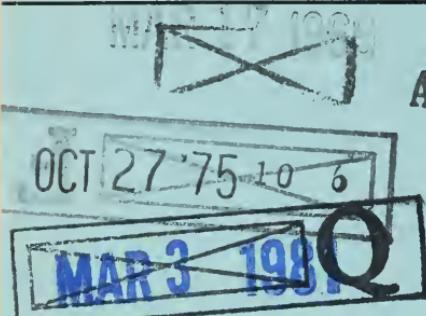
---

"Is there not  
Some hidden thunder in the stores of heaven,  
Red with uncommon wrath, to blast the men  
Who owe their greatness to their country's ruin?"



THE LIBRARY  
UNIVERSITY OF CALIFORNIA  
Santa Barbara

THIS BOOK IS DUE ON THE LAST DATE  
STAMPED BELOW.



NOTIS JUN 14 1995

RET'D JUN 12 1995

Series 9482



3 1205 00376 3701

*et*

UC SOUTHERN REGIONAL LIBRARY FACILITY



AA 000 879 124 6

